

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



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

**COUNCIL MEETING MINUTES**  
**September 19, 2012**  
**COUNCIL CHAMBERS**  
**COMMITTEE MEETING AGENDA**

**Council Meeting – 7:00 PM**

**1. Invocation:** Joe Davis

**2. Pledge to the Flag**

**3. Roll Call:** Davis, Eichenwald, Guridy, Mota, O'Connell  
Dale Wiles represented for the Solicitor's Office

**4. Courtesy of the Floor**

Mr. Kenneth Heffentrager, 11<sup>th</sup> and Washington Street, stated that he wanted to know what was going on at the Blighted Property Review Board. It seems to be completed inactive.

Mr. Guridy stated that Council will find out and let Mr. Heffentrager know. He stated that Mr. Dougherty has your number.

Mr. David McGuire, 223 N. 19<sup>th</sup> Street, stated that earlier this year after a lot of pushing and lot of discussion by Council the majority of Council agreed with the city's recommendation to have 35 year contract with Delta Thermo Corporation. Delta Thermo Corporation's interest has significant ties into the water issue. He would like to inquire if the city administration has not sent a formal notice to Delta Thermo stating that we are facing bankruptcy situation and the city has taken a position of advocating a privatization program.

Mr. Gary Strathearn stated that we have not sent a formal notice, but they are well aware of the situation going on. We have talked to them about it and again, because things are still in progress there is nothing firm either way and they are still putting together their financing. He stated that he tried to reach out to their attorney today to get a status and he did not get a call back.

Mr. McGuire stated that he sat on the Board of Directors of a SEC corporation and would take exception to the idea that you informally told them. You have a contract with them and you have an obligation to inform them in writing of any meaning action that could materially affect their interest before they start doing anything and he urged them to make sure you tie this in. Imagine five years from now no matter how the privatization goes, should an opportunity or situation arise of non-agreement between Delta Thermo and the city, they can well point out you did not give us a material statement about matters that materially effects our interest in the contract that we signed with you and if our bondholders seek to purchase Delta Thermo's bonds I would want to know about this now, not after I bought the bond. I want to know. He stated that comes from experience on the Board of Directors of a SEC regulated company. It is a material matter that Council should look at very carefully and not rush ahead of things. You should get that in writing and you should not let your body be exposed because that has happened before and newspaper

articles recently referred to it. He hopes the city and Council were urged them to get a statement the people that have already signed the contract and which company has a definite clear interest in water/sewer.

Mr. Guridy stated that he thinks Mr. McGuire's questions are legitimate and he is not sure what the contract or agreement says, but it would be beneficial perhaps for us to find out what we need to say or not say at this point. We have not entered into any other negotiations. Everything is still in proposal stage.

## **5. Approval of Minutes: September 5, 2012**

Minutes Approved by Common Consent

## **6. Old Business**

Mr. O'Connell asked Mr. Hanlon the deadline for the applications for Council vacancy tomorrow or Friday.

Mr. Hanlon stated tomorrow at the end of the business day.

Ms. Eichenwald asked if Council had a date scheduled for the interview process.

Mr. Guridy stated that we don't have a date scheduled. That is something we will do when we get the resumes. We will schedule within a couple of weeks at the most. He stated let's convene tomorrow once we find out how many applications we have. He stated that he thinks we have four or five.

Mr. Hanlon stated that we currently have five.

Mr. O'Connell asked if we need to fill the position by October 6<sup>th</sup>.

Mr. Guridy stated that we will setup the interviews tomorrow.

## **7. Communications**

Mr. Guridy stated that City Council held an executive session on September 12<sup>th</sup> at 6:00 PM and the subject matter was the sale/leasing of city assets. City Council will have a Committee of the Whole on September 27<sup>th</sup> at 7:00 PM in Council Chambers to review the financial structure and capacity on a mix of options that have been discussed to deal with the police and fire pensions as a result of public discussions and council inquiry – including the concession agreement, creating a water/sewer authority.

Mr. O'Connell stated that all the scenarios that were presented not only by City Council, but also other people concerned about the leasing of the water and sewer department will be discussed that night.

Mr. Guridy stated that all the scenarios will be discussed and there will be other scenarios that were thought about and will also be discussed.

Ms. Eichenwald stated that she would like to add since Mr. Guridy said our consultant. The consultant who prepared this report was hired by the administration. The person that we are going to hire, the organization we have not yet heard from them. It says that all scenarios have been presented, she disagrees. She does not think that all scenarios were not analyzed and each was analyzed as if it was the single answer. From her perspective and other people's perspectives the answer lies in the combination of several solutions and they were not analyzed in composite.

Mr. Guridy stated that you are certainly entitled to your perspective, but first of all Scott Shearer is our consultant.

Ms. Eichenwald asked based upon what. It is paid by the administration and not by the City Council. That was made evidently clear when Mr. Schlossberg first made that point. She investigated it and found easily that Scott Shearer, PFM is paid by the administration and Mr. Schlossberg retracted his remark. If you say our then you are saying both the administration and City Council are the same, but we operate under a system of separation of powers. The administration has its role in government and City Council has theirs.

Mr. Guridy stated that there are two consultants from PFM and that is when we got into the whole issue of the conflict of issue and therefore we decided that we were going to request another company which Pennsylvania Economic League to do a peer review and we are in the process of that.

Ms. Eichenwald stated that has not yet been done.

Mr. Guridy stated no, you are right. He asked was there anything else under communications. Mr. Schlossberg has resigned and he asked Mr. Peter Schweyer to take over the Budget and Finance Committee.

## **8. REPORTS FROM COMMITTEES:**

### Budget and Finance: Chairperson Schweyer

The committee has not met since the last council meeting; the next meeting has not yet been scheduled.

### Public Safety: Chairperson Eichenwald

The committee meeting scheduled for tonight was canceled as an item was removed from the agenda; the next meeting is scheduled for October 3.

Mr. Guridy Schweyer was the chairman of the Community and Economic Development Committee and since he went into Budget and Finance he has requested that Mr. Joe Davis and he has accepted to Chair this committee.

### Community and Economic Development: Chairperson Davis

The Committee met this evening; we are looking at scheduling a meeting on October 9 – time and place to be determined, to hear a presentation from the consultants who will make a presentation on the waterfront plan.

### Parks and Recreation: Chairperson Mota

The Committee has not met since the last Council meeting; the next meeting is scheduled for October 17 – the only item the committee has before it at this point in time is reviewing the naming of the new trail in the Parkway at the Museum on Indian Culture.

### Public Works: Chairperson O'Connell

The Committee met this evening and had one item on the agenda this evening; a future meeting has not yet been scheduled.

### Human Resources, Administration and Appointments: Chairperson Davis

The Committee has not met since the last council meeting; a future meeting has not yet been scheduled.

### Rules, Chambers, Intergovernmental Relations and Strategy: Chairperson Guridy

The Committee has not met since the last Council meeting; a future meeting has not yet been scheduled.

## **OTHER COMMITTEE REPORTS**

None

**Controller's Report**

None

**Managing Director's Report**

None

**9. APPOINTMENTS:**

None

**10. ORDINANCES FOR FINAL PASSAGE:**

None

**11. ORDINANCES FOR INTRODUCTION:**

**Bill 49 Foreclosure Ordinance.docx**

**Referred to CEDC**

Provides for the registration and maintenance of foreclosed properties.

**Bill 50 Police ASD Lunchtime Coverage.doc**

**Referred to Public Safety**

Amending the 2012 General Fund Budget to provide for a supplemental appropriation of Thirty-One Thousand Seven Hundred Ninety-Eight Dollars (\$31,798). This is payment from Allentown School District to the Police Department to provide lunchtime coverage at both William Allen and Dieruff High Schools.

**Bill 51 Enterprise Zone Grant Funds.doc**

**Referred to CEDC**

Amending the 2012 General Fund Budget to provide for a supplemental appropriation of Fifty Thousand Dollars (\$50,000) in Enterprise Zone funding from the Pennsylvania Department of Community and Economic Development for implementation of the City Enterprise Zone program.

**Bill 52 Personal Health.doc**

**Referred to CEDC**

Amending the 2012 General Fund Budget to provide for a supplemental appropriation of Five Thousand (\$5,000) Dollars from the National Association of City and County Health Officials Award and One Thousand Four Hundred and Twenty-Five (\$1,425) Dollars from the Pennsylvania Department of Health Bureau of Communicable Diseases, Division of TB/STD to the Health Bureau's Communicable Disease Program budget. Five Thousand and Three Hundred (\$5,300) Dollars from Pennsylvania Department of Health Division of Maternal and Child Health to the Health Bureau's Maternal Child Health Program budget. The total supplemental appropriation for all sources would be Eleven Thousand Seven Hundred Twenty-Five (\$11,725) Dollars.

**Bill 53 Harb Consultant.doc**

**Referred to CEDC**

Amending the 2012 General Fund Budget to provide for a supplemental appropriation of Fifteen Thousand Dollars (\$15,000) of funds received from the Pennsylvania Historical and Museum Commission (PHMC) for consulting services for the City's Historic Architectural Review Board (HARB).

**Bill 54 LV Kennel Club Donation.doc**

**Referred to Public Safety**

Amending the 2012 General Fund Budget to provide for a supplemental appropriation of One Thousand Dollars (\$1,000). This is a donation from Lehigh Valley Kennel Club to the Police Department K-9 Unit to provide necessary equipment.

**Bill 55 Prop Rehab Amendment.docx**

**Referred to CEDC**

Amending Articles 1741 to 1759 of the Codified Ordinances of the City of Allentown entitled Property Rehabilitation & Maintenance Code in multiple ways inclusive of making first class mail notification an

option, adding a definition of “illegal unit”, changing cellar to basement, modifying sump pump regulations per DER & EPA requirements, defining when oil and gas units should be serviced, strengthening all means of egress regulations, strengthening fire separation requirements, updating dryer exhaust regulations, including vacant units as a unit, requesting email address on registration, and various other clarifications and modifications.

## **12. CONSENT AGENDA:**

### **CA-1 HARB.doc**

Certificates of Appropriateness for work in the Historic Districts

**Resolution passed, 5 – 0**

### **CA-2 Butz Corporate Center Phase II Sewage Facilities Planning Module.doc**

CA-2 Sewage Planning Module for 824 Hamilton Street – resolution is a state requirement that in effect, notes the City has capacity for this facility to tap in to the City’s sewer system and documents are sent to the state attesting the same.

**Resolution passed, 5 – 0**

## **13. RESOLUTIONS ON SECOND READING:**

### **R 44 Log and Stone Resolution.doc**

Providing for a ten-year lease Agreement on the Log & Stone House

Mr. Don Hoegg stated that the property has been in a state of derepair for a number of years. The current oppupant wants to put in major improvements with the stipulation that he is given some certainty that he will have time to enjoy those improvements after they are made. We are suggesting a ten-year lease with the stipulation that he continues to make improvements.

Mr. O’Connell stated that this was in the Public Works committee and it was recommended favorably 3 – 0 to forward to the entire Council.

**Resolution passed, 5 – 0**

### **R 45 FINAL COUNCIL RESOLUTION EXTENDING KOZ TO ALLENTOWN METAL WORKS.doc**

Expands the City’s Existing Keystone Opportunity Zone by including property located at 602 S. 10<sup>th</sup> Street, formerly Allentown Metal Works, in the Keystone Opportunity Zone.

Ms. Sara Hailstone stated that this is the former Allentown Metal Works site. This is a site that the city is asking for a KOZ exemption/designation on. There is an opportunity at the Commonwealth to submit by October expansions to already existing KOZ sites. The administration would like to advance the former Allentown Metal Works as a KOZ site. It would need approval from all three taxing bodies and will need the county as well as the school district as well as yourselves to approve it. Please know that it is a site that allows for a lot of economic growth here in Allentown.

Ms. Eichenwald asked for how long will the KOZ exist. It was originally established for ten years. Do you still feel with so much economic development coming to take properties such as this that will be part of the economic development off the tax rolls?

Ms. Hailstone stated correct. There are no individual KOZ sites that have been more than ten years as KOZ sites. She stated that they are concerned that site which is an 18 acre site in the Southside of Allentown has a lot of need for rehabilitation. It may need some cleanup work. They think it is a good opportunity for industrial or manufacturing. It is very well located being it is an opportunity for walk to work and an opportunity for family sustaining jobs.

Ms. Eichenwald stated that she is getting a little bit of a mix message from what Ms. Hailstone just said. Part of it is when you have a KOZ zone the property is removed from the tax rolls. If it all of that, why would we would wish to remove from the tax rolls, if it has so much economic possibilities.

Ms. Hailstone stated that the benefits would be to the rest of the city. The jobs that would be created would be to the citizens of Allentown and we believe that the KOZ is needed to assist with attracting businesses and redeveloping the site.

Ms. Eichenwald stated that she is going to vote for it because she usually likes the KOZ, but she thinks when Ms. Hailstone talks about it in the future and you talk about it being such a good positive site, we also have to balance that every time we do a KOZ and this is for 18 acres, it gets removed and as this economic development hopefully goes forward part of the benefit of this, of course, is that we want to increase what the tax revenue to the city so that we can move forward. She stated that the reason why she is going to vote for it because Ms. Hailstone stated that this site needs special redemptive work. She asked Ms. Hailstone to address that a little bit more so that she can feel comfortable in voting for the KOZ because the other reasons are just for economic development which would help the tax rolls.

Ms. Hailstone stated that it is a dilapidated site, vacant and needs a significant amount of dollars for investment to clean up the site and prepare it for job creation.

Ms. Eichenwald asked if there were special environmental concerns.

Ms. Hailstone stated that they have not done a study there so she cannot speak to it for a professional point of view.

Ms. Eichenwald stated that normally there is some kind of environmental study that is done.

Mr. Guridy asked anybody else from the dais.

Mr. Davis stated that the committee discussed it and it was a very good presentation and they realize that it is a blighted property and that nothing is being done there now. They do have environmental concerns. They have not had much interest in it and the KOZ it would have to be developed and be brought up to code and pay all back taxes before the benefits start taking into effect. It passed favorably from the committee, 2 - 0.

Mr. Guridy stated that traditional the KOZ properties that we have designated have been very good for the city. The KOZ's that have been designated in the past that goes through the process most have been very good. KOZ's were developed for properties that were blighted and the last resort to get it redevelop and he believes that they will be able to use it very well in the city. Some municipalities that have never used it, but we have used it. We are making over \$1 million now.

Ms. Hailstone stated over a million and in her presentation during the CED Committee hearing she mentioned that a number of the successful projects in the city includes the PPL Plaza site which is now paying \$1.29 million in taxes to the city, school district, and county, \$211,000 of that is coming to the city.

Butz Corporate offices which were another blighted property also created jobs in the downtown. They are now paying almost \$50,000 in taxes just to the city, \$289,000 in total taxes that property is now paying.

Mr. Guridy asked if there were about seven properties now paying.

Ms. Hailstone stated nine properties.

Mr. Guridy asked were there any further questions from the dais or the public.

Mr. O'Connell stated that a lot of the public were not here for the CEDC meeting and it is very important for the public to hear that KOZ does work, eventually they do get on the tax rolls, they bring employment, and they bring people into the city. Quite a few people have taken advantage of that and they have been very successful and needs to be commended for that. Now, as you just stated that there is a lot of money coming back to the city, the school district and the county. It is very important to say that. People took advantage of the KOZ, and eventually the city, the school district and the county do benefit from it. It is a win/win for everybody.

Mr. Guridy stated that the property has been taken out of the blighted property and redeveloped into something nice s that is a plus.

Mr. Elijah Lopinto, Allentown, stated that Ms. Hailstone just stated that there are these different properties that bring in tax money and she mentioned the Butz Corporate Center which is now part of the NIZ so they are not actually bringing in taxes to the city, it is going into the Neighborhood Improvement Zone. That is incorrect that those properties are bringing in property taxes in the city.

Ms. Hailstone stated real estate taxes.

Mr. Guridy stated that real estate taxes are not part of the NIZ. They are paying real estate taxes.

Mr. Lopinto stated that some of the taxes are going to the city. The main reason behind putting this on the Keystone Opportunity Zone is the fact that there might be environmental concerns that might need to be cleaned up. She stated that there are no studies yet, and he urged the city not to make a judgment based on environmental concerns until they are actually know whether or not there are environmental concerns. It is a little pre-emptive to pass a KOZ based on environmental concerns that have not yet been studied. You don't even know if they are actually there.

Mr. Davis stated that there were environmental concerns that the company had in the past. No study has been done that he is aware of. We are aware that there are environmental concerns. It is not the only reason why we are passing it.

Mr. Dennis Pearson, 942 E Tilghman Street, stated that in the committee meeting he told them that the county has met on this and they are skeptical about it from the usual sources. One thing he did not mention is that they usual sources made a request of Feinstein to provide them with statistics of how much taxes will they lose in the ten years in compared to what they suspect to get afterwards. If you are taking a building which is not doing anything and trying to turn it around you may overlook certain things if it is in the ballgame, but the usual sources are looking and comparing what taxes would be lost and what might be the taxes after the thing comes into being. Yes, that building is gutted and the industrial plant is in bad condition except the building itself could probably survive an artillery blast the way it was built, but the fact is that this is what the county is being skeptical on this plan.

Mr. Kenneth Heffentrager, 11<sup>th</sup> and Washington Street, stated that if it is approved and go into the expanded zone, does that take your time period start daily or do they get ten years to get the ball rolling.

Mr. Guridy stated that he thinks it starts clicking once the state approves it.

Ms. Hailstone stated once the state approves it and they brought the property up to code.

Mr. Guridy stated that they don't have to be in the KOZ. We are just approving it here. For them to start getting tax relief they have to have the property brought into code.

Mr. Heffentrager asked were there any of properties thought of because Ms. Hailstone keeps saying there is a significant amount of money. He can see this is a property that in 30 years we are going to be still looking at it, right where it is. He was wondering if there were any other properties that were thought of. If they are in the rears of taxes already, has a huge environmental problem, the building is dilapidated. You can look at it and drive by Martin Luther King Boulevard and see it. He is wondering if it is another property that would have been a more useful venture then this one.

Mr. Guridy stated that Ms. Hailstone answered it at the committee meeting.

Ms. Hailstone stated that based on the opportunity right now to just add 15 acres to an already existing KOZ, we believe that this is the most important site to add.

Mr. Guridy stated that the key is that you have to be in an existing KOZ already.

Mr. Rich Fegley, 1002 S. Bradford Street – family runs the Allentown Brew Works, stated that his family actually took a look at the property when it was listed on the market and the price was at \$3 million and dropped \$500,000. We thought we would consider a brewery in town. After we looked at the property there were amazing huge structures there. The building has been completely stripped, stripped by the hedge fund that owned it. They basically sold all the equipment that was in the building and then they sold all the cranes which were the last two pieces that were still making that building usable for manufacturing. Once they took the cranes out that was tearing the heart out. That was taking the brain out definitely dead there. Since then it has been completely vandalized. Everything has been stripped inside. Actually we stumbled upon one of the deeds when they were there meeting with someone one time. The building is shot. Basically the whole thing has to come down; it is a lot of asbestos. He does not think it is a big environmental concern. They have done Phase I and he does not know if the city talked to his brother, Jeff who would have handled all of that. He does not think there were any major concerns, but they had to step aside since it was a huge project and he is sure that another developer would come in having the KOZ is definitely an incentive for a developer to take a risk and make an investment. He does not know if they are on the list, Brew Works was also in the KOZ and one of the reasons why his family chose to come downtown was the incentive because otherwise everyone told him why you are looking at Allentown. Incentives like that is one of the reasons that they came to town. They are on the tax rolls now and have almost 100 employees that they employ there. He stated that they are here to stay and the property needs the help of the KOZ. He would support something like this.

Mr. Guridy thanked Mr. Fegley and stated that his properties were one of the first few properties that City Council approved to the KOZ and successfully paying taxes and doing well and he is glad that you are supporting. This property is for sale and there is an opportunity for somebody to buy it and redevelop it as well. Sometimes, you get people like your family who are concerned about development in the city and it can turn out as good as yours. You are an exception. He knows that the Fegley's have done well.



**Resolution passed, 5 – 0**

**14. RESOLUTIONS ON FIRST READING:**

None

**15. NEW BUSINESS**

Mr. Guridy stated that there is a petition for a committee and the petition was basically done by Former Councilman Michael Donovan.

Mr. Dan Poresky, member of the Environment Advisory Council (EAC), thanked Council for allowing this to be on the agenda tonight. It took only a few people a couple days to get one hundred signatures on the petition. What they are asking for is more public participation in deciding on how to deal with Allentown's huge pension obligation. We are asking for a non-partisan, independent committee of local citizens to analyze the problem and suggest possible solutions. There are alternatives, not limited to privatizing our water or raising our taxes, alternatives that have not been fully explored. It may not be just one answer as Ms. Eichenwald has said; it might take a combination of approaches. We believe the process today has been too limited in scope, too focused on numbers provided by the administration, and too restrictive of public participation. Council may cite the meeting here on August 23<sup>rd</sup> as an example of an opportunity provided for public participation, true, the meeting was devoted exclusively to letting the public state their opinions on privatization, but Council intentionally shut themselves out of the conversation at that meeting. You gave us no opportunity to engage you in conversation, nor will you answer our questions. We don't think this is participation as it should be. About thirty people spoke at that meeting and all but three or four were opposed to privatization and they gave the reasons why. Those few that supported privatization said they did so because they were told that it was the only option other than raising taxes. No one supported privatization on its own merits. That alone should be enough to justify the committee we are requesting. The committee we asked formed must be able to explore beyond the data already provided. We believe that when long term costs consequences and risks of privatizing our tally it would be evident that privatization is not only an un-desirable solution, it is an un-acceptable solution. Even the mayor describes it as a bitter pill. Most importantly, it is imperative that council not approve any request or resolution that grants the administration permission to proceed regardless of what assurances that the mayor may have given you, and regardless of how innocent the request appears. Once you permit the city to issue the RFP you will not be able to stop it. The mayor may say that you must act now. He will say it. It is not so. Time and costs should not be a factor. The administration has already spent nearly \$500,000 to justify privatization, a solution no one wants. Now work has to be done on the alternatives. Certainly, there are interim solutions to address the immediate needs while the committee that we are asking for does its work. We don't think is kicking the can down the road. It is picking up the can, examining it and finding the best way to deal with it. Here is a thought, if you wait until next summer, it could be a mayoral, and council election issue. The voters will then be able to decide. Bill White, in his September 12<sup>th</sup> column says that Mayor Afflebach's name is mud in Allentown. That is for the pension problem that he caused. Then he adds that city council was asleep at the wheel and let the pensions slipped through. He said that council could have, and should have prevented this mess. They did not do their job and this is why I am bringing this up as such an important issue that it does not happen again. Those who signed the petition and the many that are here tonight ask that you agree to form this committee and immediately put the word out that you are looking for candidates to be on it. Who knows, someday our mayor would be elected governor. As governor he could be influential in changing the rules so that water and sewer income could be used for emergencies that we are now facing. If we lease our water and sewer system for many years, this and many options will not be available. The 50 year lease ties the hands of every future council and every future mayor for 50 years from finding solutions.

Mr. Guridy stated Mr. Bill White as a columnist to the Morning Call is entitled to his opinion, but it does not mean that his opinion is right.

Mr. Glen Hunsicker, 844 S. 11<sup>th</sup> Street – Citizens for Common Sense, stated that he is not going to speak very long because the point Mr. Poresky just made was very well taken. He likes to review some of the problems that were brought up two weeks ago, the basic things that you are confronted with now and very pertinent about free cash flow, EIT and the new one you have to consider is the income tax basis that is going to be presented in four years. That is going to be an income to the city and he is not sure all of these things are going to be brought out. He is here to demonstrate that is not being brought up. A lot of you don't understand this, but as you think deeper and drill down as some of the people talk about, you will find out that a lot of the issues really aren't brought up yet. As you probably know as we presented the free cash flow the distress level, we are at distress level II and some of the proposals so far want to go to zero. Do you have to go to zero and lose the \$10 million in the so called calculation that right now helps us? You don't have to; there are all kinds of combinations. Going forward we have to form a panel so that our voices are put into these ideas. We have to brainstorm the idea for solutions. We have to get a panel somehow to bring up to you the ideas and our ideas on how to solve this problem about privatization. He just heard tonight, the attorney general's office is looking into forming some kind of committee to review the pensions in Pennsylvania under distressed cities. It supposed to be 29 – Distressed Cities under this type of situation. They are going to review and try to find some kind of common ground to solve these problems. He thanked council and stated that basically they have the point on what Citizens for Common Sense has been doing this month to present to you our ideas.

Mr. Michael Donovan, 122 N. West Street – representing the Committee that put the petition together based on the Charter, stated that in responding to our petition you have an opportunity to change the way government occurs in this city. By adopting an often used technique and make critical civic decisions through collaboration and consensus building you will earn the trust of your constituents and more likely produce a better decision. Many scholars in public policy have advocated this type of practice that we propose. Many communities throughout the country embed this technique in their review processes. The problem is that we believe that the administration and council have not adequately presented in a collaborative and consensus way of building public trust on the proposal to privatize control or lose control of our water and sewer system. We also believe that the city has not suitably examine how it can manage and restructure our fire and police pension obligations to obtain a better solutions than what the administration has proposed. We advocate the following either through an ordinance, or through an Ad Hoc committee created by the president of council, building on proven results occurring throughout the country at the local level to deal with challenging problems like we face in Allentown. We recommend that a study committee comprised of the administration's consultant which he believes is PFM, the consultants of council which he believes will be the Economy League of Pennsylvania, a third professional, two people currently in favor of the administration's proposal from the public, and two people currently against the proposal. Members of that committee will work with constituencies to facilitate trust and communication over thirty days of discussion. Each member would go back to their people and talk about what they are learning and new ideas. To build and rebuild trust, the committee must help us as Allentownians to understand or know vital areas of study that we do not yet understand. Most of us really don't understand the pension financial position, its market value of assets, the liability of the fund, and the annual municipal obligation. Many of us do not understand that impact of the optional funding solutions. We don't understand the financial position and cash flow of the water and sewer department. We don't understand the legal options to change pension obligations or to capture water and sewer rate surplus for use to satisfy the obligations without losing control. We don't understand the independently produced results of all privatization as it occurs around the country in cities and regions. We don't understand the impact on privatization on social criteria such as the environment and health. We don't understand the impact of privatization on the political criteria such as Allentown's ability to negotiate in the Lehigh Valley. We don't

understand the impact of the proposal that potentially shifts the pension obligation to non-taxable properties and the suburbs as well as the arguments that operational efficiencies may be achieved. Now, we believe this committee is useful because council will soon be faced with a resolution authorizing a request for a proposal to lease the system. This is a critical decision that requires collaboration and consensus building throughout the city since it is probably one of the most important decisions this city will make in one hundred years. In that resolution, we understand that there will be conditions that are expected in any proposal selected by the bidders. We believe choosing a leasing options with incomplete and less than trusted information is not best for the city because we all know serious mistakes have occurred before one of which caused the current crisis. We believe council shall not and should not make a decision on that resolution or any of those specifics until it is knowledgeable. All the costs and benefits associated with this option to the pension situation we believe that the best decisions occur when a collaborative effort is made to bring the community together with good information. That can only occur with a bi-partisan review of the data is brought to the people in an objective analysis that examines the consequences and that is not having two consultants report or one consultant report next week and have a series of people only have three minutes to ask questions. There are better ways to do this. We believe the facts will bear out a better solution. The need to have the public trust that our decisions are wise is imperative. He will be saddened if we do not take this action. He will be saddened because we are not taking action to conduct business in this community and will end up doing poor analysis rammed down the throats of the public. He often felt that during his tenure here, not by council themselves, but by other projects you were aware of those that were with him. It really was pushed through in a way without good suitable analysis of information. It is not the way government is supposed to run in his opinion. It is not the way that public policy should be determined and most of all it is not the way for citizens to grant authority to its leaders. Our request is to do this as quickly as possible and obviously through ordinance, according to the Charter, but he recognizes that an ordinance needs a Bill, a Bill needs a committee and then there is a vote. It would be nice that the council president would authorize an Ad Hoc committee to perform these duties. Yes, politics and government are messy, yes; officials are elected to make decisions. He respects that, however, collaborative leadership is successful. Collaboration includes us, your constituents. He hopes that they will consider this request. He thinks it would be fruits for the community now and for years to come.

Mr. Julie Thomases, 824 N. Broad Street, stated that she knows that they are all looking for the best decision for the city and for our residents to solve the pension crisis and thank them all for their willingness to give careful analysis to the important topic of water privatization. She understands that council is having their own independent peer review of the administration's numbers, but there is more to this decision than analyzing the financial assumptions. We need to have the time to do a sustainable return on investment study that identifies and monetizes all the long-term costs and risks factors of privatization so as a community we can weigh those risk factors against the amount the city would get for signing the lease agreement. We must ensure that we can trust that we have affordable access to our water that we can trust the quality of our water and that city government; you do its job of protecting its citizens. A sustainable return on investment study looks at all the risks and its costs to its citizens; it looks if whether privatization is sustainable in the long-term including the direct, indirect noncash cost benefits and the externalities like public health. This study will help us all in in the process of formulating an alternative situation, alternative solutions. For example: what is the rate payers' recourse if the water quality declines. What happens if during a drought situation the company directs water to a profitable water bottling operation and turns the tap off to the citizens, if there is environmental degradation of the Little League as a result of the water company's practices? What is the ratepayers' methods recourse for environmental remediation? Across the country private water companies have failed to deliver as promises. We are concerned because it has been shown in Pennsylvania, water and sewer rates typically increase by ten percent a year after privatization. In Allentown, typical household water and sewer bills have increased only four percent since 1999 so before you think about privatizing the water these things have to be analyzed and so we are asking

council to partner with us on an independent committee to assess these long term costs and risks. We urge council to identify a source of revenue to cover the unfunded liability this year and take adequate time over the current months to look at the risks and true costs of the mayor's proposal.

Dr. Jonathon Bingham, 325 N. 28<sup>th</sup> Street, stated that he is a physician and his wife is a physician and they are the parents of two young boys. They have been in Allentown for about two years and in the Valley for about eight. He appreciates the fact that there will be a meeting of the 27<sup>th</sup> to discuss the issues about this proposal. From his standpoint being an outsider or feeling like an outsider it almost feels to him that as though the decision has already been made. He does not know what decision or discussion have been behind closed doors, but from his standpoint as a physician, who treats kidney stones, if you ever had one, they are very painful and they are caused by some degree by minerals in the water. This would directly affect the health of the population if the water quality would deteriorate. As far as his own children, the quality of the water would be something that his family may be able to afford the water purification system that it would take so that they can drink out of the tap. A lot of the city couldn't. It would affect their children. He thinks that forming this committee is a chance for you the council people who have a lot on your plates to pass some of this responsibility of the brainstorming, and coming up with what makes sense to a very bright public. He thinks it would be foolish not to allow the very well spoken, educated people of Allentown to help to come up with a good solution as Ms. Eichenwald said this probably would require several different answers rather than one answer, but from a health standpoint, from the standpoint of a parent, he feels like sacrificing something as fundamental as what we ingest should not be on the table. He urged you to pass this proposal to form a committee to allow us to look into this from our perspective as well.

Ms. Pana Columbus, South Whitehall, stated that she grew up in Allentown and her mother and other family members still live in Allentown. We are all horrified that giving up our city's water to a private corporation is even on the table for discussion. We respectfully ask you to take it off immediately. She supports the formation of the proposed committee whose function would be in part to explore other options than water leasing. She understands that they are in dire financial straits because of an unjust union pension contract and you felt that you don't have a choice. Nobody here wants you to lease our water. Everyone on council should feel a little horrified about the thought about losing control of our water. No one on council wants their legacy of handing our water rates to a corporation, but you also don't want the city to go bankrupt. She suggested that let us work together to come up with an alternative solution. Talk with us in a comprehensive way about bonds, taxes and other options, we want to help. For example: we are willing to help you put public pressure on the individuals in the unions who made the contract in the first place that is bankrupting our city. This has not been done before. Work with us to use media and organized grassroots campaign to help return to integrity and renegotiate the contracts. We can help educate the public why we need their support of other alternative solutions. Even if it includes raising taxes, one way or another we would have to pay. We rather pay through taxes then having our water bill tripled for now and our grandchildren's water bill who knows how much thirty, forty or fifteen years from now. She for one would devote all of her time to bring the various groups of this city together to support alternative options to solving our fiscal crisis. This is that important to me. There are some non-negotiables left in this world and she trust that they understand why water is one of them. Work with us, talk with us, help us, and help you rally the support of the public and to keep our water in public hands. Together, we can unit this city as never before because water is precious to everyone, it crosses all boundaries, republicans and democrats, Christian, Jews, and Muslims, Latinos, Caucasians, African Americans and Asians, the poor, the wealthy, downtown, and the west end. Everyone wants their grandchildren and great grandchildren to have safe, affordable drinking water protected in perpetuity then the unions, city government, and the people of Allentown together would be leaving a legacy to be proud of.

Mr. William Hoffman, 1518 W Pennsylvania Street, stated that he is very concerned with what may occur if you approve the proposed leasing of the water and sewer operations without specific diligence. We have all been told that the draft lease agreement which you as city council must vote on would be written by very experienced, high priced lawyers with the help of experienced professionals of the water and sewer department in order to protect the water and wastewater quality. He would like to point out a few things. The Federal Reserve standards for bank risk management are hundreds of pages long and it was drafted by experienced high priced lawyers with the help of experienced professionals from banking institutions. Its control of the currency standards for banking risk management are hundreds of pages long and it was drafted by very experienced high priced lawyers with the help of experienced professional from banking institutions. The FDIC standards for bank risk management is hundreds of pages long and was drafted by very experienced high priced lawyers with the help of experienced professionals from banking institutions. Yet, despite those regulations and protecting the safety and security of US banking system, profit motivated managers at those banking institutions were able to cripple the banking system of the United States by taking too much risks, how can that be. Well members of council it is a law under unintended consequences that could play havoc with our water and sewer systems for many, many years to come if they are put in control of a profit motivated organization. Law of unintended consequences it is that actions of people especially government always have effects that are unanticipated or unintended. Economist and other social scientists impede its power for centuries for just as long politicians of popular opinion largely ignored it. He could be talking about the fire and the police contracts during the Afflebach's administration, but he is not. He is not making a prediction of future. He is calling their attention about contracts, rules and regulations cannot control everything that could happen from people, companies and even municipalities are motivated by profit gain and cash flow. He urged council to establish a study committee to thoughtfully independently consider whether the water and sewer leases is the best financial solution and whether the unintended and possible risks are worth that benefit.

Ms. Kate Scuffle, 1600 Lehigh Parkway East, stated that she moved to Allentown 25 years ago to a city in transition with the city already facing struggles. She built a business here and she was offered to move that business for many, many years until it finally closed 18 years she lived here and stayed in the city and made a commitment and was surrounded by people that did artistry, that do business and that do Old Allentown Preservation. The city is filled with people that keep committing over and over with their heart, their money, their spirits, their work and their sweat and she doesn't always feel that they have always thought that the city's leadership decisions have made that any easier. You have an opportunity here to do something. She can't imagine with the investment in the past that she made in the past to the city how anyone can begin to tell me that there is anything wrong with establishing a bi-partisan fair committee to explore such an enormous long-lasting far-reaching decision. You are here for us. That is why you are here. You are here to make sure that these decisions are made correctly. You are here to allow this conversation to happen. We look to you to protect our ownership and our investment in our city.

Mr. Elijah Lopinto, Allentown, stated that council talked about there will be another commission done that would be independently contracted by city council. He asked when the commission is supposed to be finished.

Mr. Guridy stated that they are working on it now and really haven't gotten a date on when they are going to finish. It will take at least a couple of weeks.

Mr. Lopinto stated that now you are talking about having a meeting on how to pay the police pension on the 27<sup>th</sup> of September. How can you have a meeting that is supposed to include all of these concerns if you have not yet finished this independent review?

Mr. Guridy stated that the meeting on the 27<sup>th</sup> is going to answer the questions that were asked by the meeting that we had before two weeks ago from the public and discuss other alternatives that proposed by the study committee that have been coming over to us.

Mr. Lopinto asked how you could honestly answer those questions if you do not yet have that independent study done.

Mr. Guridy stated that if there is a need to have another meeting after we get the Peer Review from Pennsylvania Economy League then we will make that available.

Mr. Lopinto stated that this could be a potential throw away meeting on the 27<sup>th</sup>. Last time when you had a meeting you were not able to answer questions and Ms. Eichenwald broke that rule and answered one questions and made a statement when he brought up the fact that the information packet put out there was full of boldfaced lies and she responded that was not actually the city council information packet that was from the mayor's administration. Is there any sort of thing in place that can prevent that future from happening and happening then in the future that the mayor's administration directly lies to people and put it out on the table as if it was something that the council had approved?

Mr. Guridy stated that he was not sure what Mr. Lopinto was talking about.

Mr. Lopinto stated that what he brought up in the booklet was the fact the city was paying nothing toward the Neighborhood Improvement Zone. It is quite easily proven that city taxes, taxes that are would have gone to the city are going to pay for the Neighborhood Improvement Zone.

Mr. Guridy stated that everything that city council approves you can actually look at it on our website. If someone comes out and says we approved something and we did not approve it.

Mr. Lopinto stated that he was handed something that has the official seal of the city on it and it is being handed out here at city council chambers.

Mr. Guridy stated that whatever city council approves is in our files. He cannot control what someone comes out and say we approved something. Anybody can say that.

Mr. Lopinto stated that there are handouts on the table that have the seal of Allentown on it.

Mr. Guridy stated that if there are handouts on the table and we handed it out and it is approved by us unless it is a mistake.

Mr. Lopinto stated that in the case of this last meeting that is what happened. He challenged it and Ms. Eichenwald stood up and said that it was not approved by you. It was put out by the mayor's administration, but it is sitting on the table where your official documents go with your official City of Allentown seal on it.

Mr. Guridy stated that he is not sure what Mr. Lopinto is talking about.

Mr. Guridy stated that the real estate taxes are staying in the city. The other taxes have been public information since they started this process.

Mr. Lopinto asked is it a way that the citizens are able to tell what is put on that desk with the City of Allentown on it and not approved by city council is not approved by city council. Is there a way that council

can take some sort of vetting that prevents the mayor's administration from placing things on that table if the City of Allentown seal if there were statement by city council?

Mr. Guridy stated that people like you can ask us and we can find out just like the other day.

Mr. O'Connell asked Mr. Lopinto if he had the handout.

Mr. Lopinto stated that he does not have the hand out.

Mr. O'Connell stated that it is very necessary that we see what you are talking about. Bring that with you when we see you again.

Mr. Lopinto stated that he will bring it with him at the meeting on the 27<sup>th</sup>.

Mr. O'Connell stated to bring it with you and we could address exactly what the issue is.

Mr. Lopinto stated that unfortunately we were unable to, but if that is what the meeting on the 27<sup>th</sup> is about and you were supposed to answer those questions, that was one of his questions. He will certainly dig through his records and find that piece of paper and bring it back on the 27<sup>th</sup>.

Ms. Sergi Miller stated that he lived in Allentown almost 40 years and she presently lives in Hampshire House, but for 38 years she lived 17<sup>th</sup> Street across from the new high school. She and her husband raised four children here in Allentown and all four graduated from William Allen High School. She is opposed to the idea of giving up control of our public city water as an option to solve the city's fiscal problems. She supports the formation of a proposed committee whose function will be in part to explore other sustainable options to solve our fiscal crisis. I and all of you and everyone in this room are committed to both protecting our city's water as well as solving our current financial crisis. The water part is so important. We don't have to be a doctor although she is so happy that one from our community took the stand here tonight. We don't have to be a nurse; we don't have to be anyone special to know how special water is for our babies, our children, mommies and daddies and grands and Pappas. She feels that there is no way to protect our water if it is control by a corporation. She is not one about complaining without offering a solution. She raised her children in a way and she still stands by it. She is committed with working with city council and the administration to solve this fiscal problem and she is willing to rally support of her fellow senior citizens to do the same. If you could pledge to find a commitment to find a fiscal solution that we all can agree on that does not involve leasing our water then I can commit my time to rallying senior citizens to support any other reasonable plan. She likes the idea of putting pressure where it belongs on the people who created the pension contract that got us into this mess in the first place. We can write letters and walk in demonstrations to send our message of support to the administration, the city and the citizens of Allentown to right this wrong so that Allentown's water is no longer a bargaining chip. Please help us to understand how we can support you in solving this problem. How we can put pressure on the union or how we can support other options that you are considering? We need clear open communication with you to do this. Please give the citizens of Allentown a way to dialogue with you. With that it is nothing we won't do to help work through this crisis together.

Ms. Irene Blough, 739 Muhlenberg Street – Teacher at Trexler Middle School, stated that it is unacceptable of having a lease of our water up for discussion as a solution to the city's fiscal crisis. Please take it off the table. She supports the formation of the proposed committee whose function will be in part to explore other sustainable options to solve our fiscal crisis. There have been several options besides water put on the table: bonds, taxes, and creating public [pressure on the union to renegotiate the contract. The fair thing is to do all three this way the burden of responsibility is shared between all Allentown citizens. We as the

community, the administration, the council and citizens allowed the passing of the unjust pension law. We weren't paying attention. She thinks the union would be more amendable if we weren't finger pointing. Just asking for a renegotiation of their contract to be part of a three-fold solution if we are generous accept partial responsibility perhaps we can expect them to do the same. One way or another, citizens of Allentown are going to be paying for this blunder. She much rather to have her taxes increased then paying water rates to a private corporation and be forced to buy bottled water because of the risks of diminished quality of the tap water. One way or another we are going to be paying out of our pockets for this debacle. Let's choose the most conscious responsible and long-sided option. She willing to help the current administration and city council by rallying support for whatever alternative seems reasonable. Water leasing is not a reasonable option. As a teacher in the Allentown School District, she would be happy to call on her colleagues to write letters, op-ads, or march in demonstrations or other ways to put pressure on the union that participated in the creation of these damaging pensions. We are here to help. Please work with us to find a reasonable solution to this problem. We are all in this together.

Mr. Richard Lane, 4930 E. Texas Road – Lower Macungie, stated that this is the first time in the 45 years since he lived in the valley that he comes before council. You can tell this is a very important issue and he does hear that they are talking about the possibility of a lease that is 50 years. That is a long time in his lifetime. Whose water is this really? By that I mean the use of this water stop geographically at one particular point at the water works or the City of Allentown or the townships surrounding it or Emaus. We are all in this. It needs to be a lot further study on this on a way of doing it. We are talking about water, but is this really a water issue or is this a public pension issue for the City of Allentown having to do with their finances. He has been working for government for a lot of years and he always found that he had to go back to what is the source of the problem and deal with that source. He has not heard all the pensions and the fiscal options have been explored. He envy's them all being here as council people. You are able to work on with the public a decision that would last long beyond most of our lifetimes. It will affect our children and our grandchildren. He asked them to really proceed with prudently.

Mr. Dennis Pearson, east Allentown, stated that obviously the answer to the question just asked is that this is a financial problem related to stupid decisions. The committee that they asked is not a bad idea. It should be pursued, but in his opinion it will be hard to judge given the time period that we are in to invest in risks because the other day if you would have sold your stock, you would have reaped a lot of money when the Federal Reserve made their decision and it sent skyrocketing stock market inflating and higher than it should be. It sent it up. If you would have taken your stocks out and sold them you would have gotten a lot of money. It is going to be hard to judge because there is too much turmoil in the stock market. It goes up and back down. Of course, you know when stocks go up, bonds go down. As far as the water is concerned with a concern about minerals in the water, he did water softening for Bethlehem Steel and he knows that the City of Allentown makes sure that the water is clean, removes the settlementation, make sure that it is pure, but as far as guaranteeing there is no minerals in the water, that is not the case because we are a limestone based. If you compare Allentown's water with Bethlehem water, we are harder than Bethlehem water. Whether that is good or bad, but any company that does get the lease is expected to maintain the clearness, the safe drinking water with nothing contagious in it and will have mineral lines in there unless it initiates lime water softening it will be in the water. Mayor Pawlowski added another ingredient to his proposal; you know that in holding a lease he wants to have revenue sharing on that and so that we can get money.

Mr. Ryan Hunsicker, SEIU Chapter Leader - Allentown Chapter, stated that he is speaking for this committee to be formed for vast reasons, supporting our members. Every meeting he went to the administration went around the city and the mayor talked about having public into, we will take ideas, he wants ideas. Here is an idea, it is sitting in front of you, and you have one hundred signatures in less than two days. You only need thirty-five. If we would have had a week we would have had one thousand or two



thousand or maybe even more. That speaks volumes in itself and the key to this whole thing doesn't cost you a dime or the administration a dime and you get free input. What more could you ask for. He stated that they are in favor of this and back it one hundred percent.

Ms. Susan Bingham, 135 N. 28<sup>th</sup> Street, asked that once they receive the information from the Pennsylvania Economy League how will you decide whether we need another public meeting to discuss the results.

Mr. Guridy stated that they as council would discuss it and he personally would decide if there is something there that they have not already heard or discussed, we will discuss it. If it is the same thing, it just may be just spending time.

Mr. Al Wurth, resident of Bethlehem – Member of the Executive Committee of the Lehigh Valley Sierra Club, stated that he spoke before about this particular issue and asked council not to lease or privatize the water system and Sierra's policy is strongly opposed to that nationwide. It has a number of unfortunate outcomes. We believe that this proposal would be a threat to water quality, quantity and cost to the citizens of Allentown. He reminded them in the past that an asset sale is not income that you get poorer when you sell off your assets. The balance sheet of the city would not change by a sale of an asset you are not going to make any money or save any ratepayers rates with this proposal. You are simply going to take money out of one pocket and put it in another. It is important that it might improve the city government, the administration, the political leadership position in the sense of the city's accounting, but the cost of the community are quite different and that's where all the studies of these privatization has shown. The materials get clear examples and there are a number of studies in California. Yes, the city could possibly move some of this money around on its account sheets, but the costs to the community are greater. He understands that this has certain kind of an appeal in other ways because you can go to the suburbs for some of your bills. They have been resisting that in other areas and maybe they will or won't in this one which is also a shift from taxes to fees and fees are inherently regressive. Normally, one would think that obligations incurred by the city should be on to the taxpayers or on the tax base rather than on to the fee payers. Some people mentioned non-profits and other people mentioned the poor who actually pay a rate for water. You can't turn off your water, but you can turn a little bit of money to pay your taxes. You should also ask that you shouldn't be afraid of this committee. It is actually a very wonderful thing for you. If it is a good idea the committee should support it and give you a lot of support and a lot of additional ways to think about it, if it is a bad idea you will know and you won't wander into a decision that you don't want to have. As a political scientist this is the way most communities and any elementary or any public policy or public administration class would suggest that a city approach a decision. To do it without that kind of public input and without that kind of building of support he thinks it would be a terrible political mistake. It gives you cover in a different way. He would worry that even though a number of people involved in this decision went to the democratic convention and this is a proposal that sounds like it came from the republicans. Privatization is from Congressman Ryan, the vice presidential candidate's favorite tool. He does not hear privatization mentioned at the democratic convention at all and he believes that some people that are promoting this were there. For political and for public support and the best possible decision you should support this committee. He encouraged them to really consider careful before you give up such a priceless asset, the water system.

Mr. Rich Fegley stated that he spoken several times before on where he stands and where his family stands as well. This is not for privatization of our water system. He supports the committee that is being proposed here tonight to be formed. Water is not negotiable. It is something that is a public right to have water. Electricity we can live without, but we can't live without water. He hopes for the best.

Mr. Glenn S. Hunsicker, 1051 N. 19<sup>th</sup> Street, stated that he is in support of this committee also. He would urge city council to please put aside their political ambitions going forward. This is more than a political decision. You heard professionals, you heard laypeople, and you heard just general citizens come up. You heard nonresidents come up that is going to be affected. Do the right thing and make the necessary amendments for the past city council. He is speaking back in 2006. Do not make the same mistake over. The citizens of Allentown will remember this and this will tag along with you. In order to make the right decision he urges Mr. Guridy to form an Ad Hoc Committee, move forward on this issue and get the input from the residents.

Mr. Guridy asked were there any comments from the dais.

Ms. Eichenwald thanked all of you who spoke tonight, with age comes a little bit more wisdom and that wisdom has taught her that she no longer knows all of the answers. Each and every one of you who spoke this evening has provided me with additional information and she thanks them. She now wants to take the opportunity to make an official statement. She makes a motion to suspend the rules to introduce a Resolution pursuant to Rule XI – Committees, B. Special Committees that would establish a special committee to review and analyze the police and fire pension obligations and potential methods to resolve the financial crisis. This is a committee that would operate under council rules and not the charter rules. This will take a vote of three of the five present members of city council. It would first require a second and then a vote.

Mr. Guridy asked is there a second.

Mr. Davis asked if they would have a discussion on it first, or do they go right into motion.

Ms. Eichenwald stated that she needs a second in order to have a discussion.

Mr. Guridy stated that there is no second. You don't have the opportunity to address. He has not seen a second so your request does not pass.

Ms. Eichenwald stated that she is profoundly disappointed. As she listened, she heard members of our communities, citizens talk about their willingness; their desire to offer collaboration, consensus, and public trust of the citizens will lead to a better decision. This would have had been an opportunity for us to work together for public input and as we just heard, it would not cost us a dime. It wouldn't cost us the \$500,000 that the administration has so far put in. It would have been an independent study. We have heard tonight and seen evidence of our citizens who are committed with heart and with soul and all that our citizens asked was an opportunity to be involved, an opportunity to be heard. Had we done this when previous decisions were made she certainly would not be in the position that we are today.

Mr. Guridy stated that he takes exception to those who are saying we are not working with the public. We have been here and working with the public, we have listened to the public, we have allowed you to speak, we are going out and forming provided you with an opportunity for you to speak.

Mr. O'Connell stated that we have listened to every individual. He has listened during the meeting when they had 32 people, he has been at the forums and there were public testimonies several weeks ago. He understands Ms. Eichenwald's frustration and he will continue to listen. He was on the phone most of Monday, most of Tuesday, and he will continue to listen. We have listened to 32 people and listened to approximately 16 tonight. He thinks that they should listen to what Mr. Guridy states and then go forth. He respects them to stay and listen.

Mr. Guridy stated that you don't have to listen. You can walk out, just do it quietly. He takes exception to people saying that we have not been listening. We have been listening. We had a meeting on the eastside and that meeting you asked us to have a meeting in addition to the four meetings that the mayor had with the administration and the experts that you brought. He attended some of those meetings and there were a lot of questions that were asked and answers to those questions then you said to us that we did not have an opportunity to physically speak and he said as soon as those meetings as over he would set a meeting and he will give them the opportunity to speak with no interruption and we did that. We gave a couple of you speaking. Over 30 people probably spoke at that meeting, some in favor some against. Most were against the mayor's proposal than in favor. Then he took their request and took every alternative that they had and also brought out consultants and gave them the opportunity the analyze this and they analyzed it and gave us a packet of information on your request because you requested it. He is read to present it to you on the 27<sup>th</sup>. You are asking for another committee. You have committees. You have several committees. You have come over here and asked for five minutes to speak on behalf of your committees. I have given you the five minutes and you have spoken individually. He listened here and respectfully thanked them for speaking. After every speaker, he thanked them. Now you feel like we did not give you the opportunity to speak. He does not know what you want after this. You are asking and we give you, you ask for more and we give you more. He suggested that Ms. Eichenwald brought in a resolution and it did not have a second. He suggested that their committees meet and bring them more information if you have alternatives. He is not married to the proposal of the mayor. He never said to anybody that we have accepted this. He does not think anyone has. We are still looking at alternatives and we are doing it in a responsible way. We are doing exactly what we are allowed to do and asked to do. He has been doing everything that they have asked. He has spoken to many of them. He just spoke to Mr. Dan Poresky for about 40 minutes to other day. He asked me information and I responded. He even thanked me at the end. Every time someone calls me and I have the opportunity to speak to you. To come over here and say that we are not paying attention is not true. We are paying attention, we are working with you and listening to you and we are giving you the opportunity to speak. There are a lot of things and this is true, this is not an issue about water, this issue is about pensions. This is a pension issue, this is a debt, a significant \$140 - \$150 million debt that we have to deal with and you have elected us to make those decisions. We are looking at alternatives on how to deal with this debt. We said to you in the past that one of those alternatives is bankruptcy that some other cities have done in the state and in the country. That is not an option for him and he told them that many times for many reasons, including the progress that we made in this city for over 10 years. The other issue is to float out bonds. He asked our consultant to look at it and analyze it and he gave us that analysis, the draft of the analysis. He finished it and we will present it to you on the 27<sup>th</sup>. Another issue was should we form our own authority. We have looked at that as well and would be answered to you. You also asked about a combination of things, we also looked at that and we will give you an answer to that. There was other issue to do nothing, just wait to see what happens at the state level probably somebody would be a governor and be a little bit more fiscal and give us the opportunity to renegotiate with the union. Guess what, the law is actually changing in the opposite of that. Those people that are receiving their retirement are gone. They are no longer here. It is not like we are going to call them up and say let's renegotiate. It's not going to happen, believe me. The other issue you asked is how about the issue with the water. We are not selling our water. We are leasing the utilities. That is what they are saying. He stated that he misspoke. The mayor's proposal is to lease the utilities, not to sale the water. We keep control of the water, regardless of if that happens. We haven't even voted on the resolution to send an RFP (Request for Proposal), but some people are making the assumption that this is a done deal. It is not a done deal. We don't know if this is going to happen. We don't have any bids and we don't know if people are going to bid on it. We have no idea what's going to happen yet. Even if they do bids and let's say the bids are favorable to the city. We still have to look at the contract and we can write our contract with your help and support the best we can for the future and that would be the avenue that we take.

Mr. Hunsicker asked so why didn't you second it. Why didn't you second what she proposed?

Mr. Guridy stated that with all due respect we don't get into discussion with the public like this. You had your chance to speak. He did not second it because he did not think it was the right thing to do. Right now, we have an opportunity to speak to you in a way or a matter that was provided to you in a venue that has been comfortable up to now and he will continue to speak to them and he does not think they need another committee, we have many committees. All of you should have the opportunity to speak to us.

Mr. Donovan stated that the people are not made at you, they are just upset.

Mr. Guridy stated that they may be upset, but they had their option to be upset. Up to now, you know how the meetings work. Up to now, he followed and bent backwards to give people the opportunity to speak and provide an alternative. This is not about me or about council. This is about our city and he is going to make sure that this city has the best support and best progress that we can provide to the city to make it viable and financial solvent for our future regardless of what anybody thinks or says. He wants to make sure what happens as he is looking at this and is spending a lot more time than most of them. He was elected and chose to do this. No one forced him to get elected; he did this because he wanted to. He also has children here. He also lives in the city, grew up in this city and he wants to make sure we live this city a better place to live and work for those who visit it and reside here in this city. He wants to do the best he can to make sure that this city doesn't go backward, but moves forward and regardless of what anybody thinks, that's his position on this. You have made assumptions and your assumptions may not be correct. He is going to look at every single aspect of this proposal that he can. He knows that some of them don't live in the city, but may be affected by whatever happens in the city and he welcomes their comments, but he does not welcome their disrespect.

Mr. Donovan stated that he thinks that the people are upset is that the vote could have gone the other way, but to not see council at least debate the merits of having a committee is what disappointed people.

Mr. Guridy asked Mr. Donovan if he thought council did not give a chance to the voters to speak.

Mr. Donovan stated to Mr. Guridy you mentioned that this is always the way we have done it. As an eight year newcomer to Allentown and for someone who studied 50 years of past practices of government and the social life of this city what we are offering you tonight is something that may be new to the city. At least what he could tell in his eight years here throughout the Valley a lot of collaborative consensus building styles of public policy as was mentioned by the political scientist. He stated that it was my idea to bring us forward to recommend people to discuss and putting this in your predicament. He would merely suggest that the way it has been done is perhaps is not the best way to approach an extremely serious decision which is a civic decision and not just a government decision. He thinks this is why people are frustrated and he thinks that Mr. Guridy is upset and people are walking out. He would have hoped that at least they would have heard council debate the merits of the request.

Mr. Guridy stated that they had an opportunity and he asked council if they had any comments.

Mr. Donovan stated that he mentioned one thing and that was Ms. Eichenwald's request for a second.

Mr. Guridy asked what we do when someone asks for a second and they don't get it.

Mr. Donovan stated that he understands that.

Mr. Guridy asked did I not follow the rules.

Mr. O'Connell stated that they do not need to start debating each other. He respects Mr. Donovan and Mr. Guridy, but let's move on. The people came tonight and spoke. We have handouts. This is a gut-wrenching decision and he doesn't take this decision lightly. He supports what Mr. Guridy said about forming another committee. He sat with Mr. Hunsicker that he has much respect for an hour. He knows the Citizens for Common Sense and he knows the players. He respects the players. He has listened to Mr. Poresky and will continue to listen to Mr. Poresky, Ms. Julie Thomases, and to everyone. All Mr. Guridy and I will speak for myself in saying we will listen. Ms. Bingham brought up that next Thursday, September 27<sup>th</sup> at 7:00 PM if we are here to midnight or 1:00 AM we are going to review the scenarios. We were given some scenarios by the Citizens for Common Sense and they will be addressed next week. We have an independent peer review by the Pennsylvania Economy League. It was brought up saying I don't know where that is going. He does not know if it started yet. We just had an initial contact with the Pennsylvania Economy League believe Jerry Gross and it was brought up by Ms. Bingham. Once we get that report, if we need another meeting, we will have another meeting. If we need two meetings we will have two meetings. No one is shunning you away, him in particular. He understands what they are saying and respects what they are saying, but just because Ms. Eichenwald that he respects tremendously and known her for a long time doesn't necessarily say it's a done deal and we are shutting everyone out. We are listening. He will be here and continue to listen. Ms. Eichenwald did not get a second and all of a sudden you get up and you go. You have every right to go. You are going to vote in the next mayoral race and for the next city council and he respects that is your right, but respect the position that he is taking tonight.

Mr. Davis stated that he heard mentioned several times about the lack of trust because council does not want to form a committee. It is like saying if you form a committee, people trust you more than they trust us and that is their option, they can do that. He has gone out of his way at every public meeting and every council meeting and talked to people and asked if they had questions and they had questions he sat and talked to them. These questions he takes back to the administration and the professionals and asks the questions and sometimes takes it back to the people that asked the questions. He is not a lackey of the mayor and he is going to do this for political ambitions. He has not political ambitions they go as far as people that would vote for him. If they don't vote for him, his political ambitions are gone. He has not really heard anything that has been brought that we have not discussed with our professionals and amongst ourselves. You talk about calling the unions and getting this legacy costs. There are laws by the federal government that prevent us from doing that. If we could do that we would, but we can't do it. That is an option that we cannot. We can talk about renegotiating future contracts, but legacy costs are written in stone. We talk about legislatures might do something in the next couple of years; you know how fast our legislature works.

Mr. Guridy stated that again we have been listening to you and we have been actively looking at this. We spend hours and hours. He stated that in the middle of the night he has been working on it. For you to say, we are not listening it is really disheartening. Some of you threatened us with political action saying that you are going to vote against us. The issue is you have the option to do that, but don't think for one second that we are not listening to you. We are doing a lot more than you give us credit for doing.

Ms. Mota stated that she does care. She lives in Allentown and grew up here and has children. She shares everyone concerns and we are listening. Don't give up on us because next meeting we are going to be discussing all your concerns.

Ms. Eichenwald stated that the next meeting that will be held she has questions about the material that is going to be presented on the 27<sup>th</sup>. She will share with them that her questions were not answered. She also had an op-ad piece in the newspaper and had other suggestions which she stated earlier combined various solutions in different portions that also would not be addressed on September 27<sup>th</sup>. She would

have hoped that all questions certainly hers as a member of city council would have been answered and all options would have been considered. That does not mean she does not welcome another opportunity on September 27<sup>th</sup> for the public to hear some of the discussion. Please be advised that all questions and all options have not yet been addressed.

Mr. Guridy stated that every option that you guys brought up to us and every option the public has brought up to us has been involved. There were about six options that have been brought to us and eight different type of scenarios that were brought to us, including the one that Mr. Hunsicker brought, including the ones that Mr. Poresky and including some of the ones Ms. Eichenwald brought to us. If you have other questions after that or before that or even other alternatives, please bring them on and we will look at them.

Ms. Eichenwald stated that she would have hoped to be one of the guys that question would have been answered. She does not understand how a question or an option presented by an elected member of city council would not have been worthy of being considered.

Mr. Guridy stated that he is perplexed and don't know which one you are talking about and every question you asked at that meeting was answered.

Ms. Eichenwald stated that they can discuss it at another time, but the most important thing is that the solution does not lie in one particular option. The solution of our problem lies in a proportion of different solutions. We have to attack the input of money and the output of money to arrive at a solution and what has been presented by PFM are single option solutions. That is where her biggest problem lies. When you do a balance sheet you have to consider the income as well as the output.

## **16. GOOD AND WELFARE**

None

## **17. ADJOURNED: 8:58 PM**