

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



Allentown City Council
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COUNCIL MEETING MINUTES
October 2, 2013
MOUNTAINVILLE MEMORIAL YOUTH ASSOCIATION FACILITIES
1814 SOUTH 5TH STREET

Council Meeting – 7:00 PM

Mr. Guridy stated that we are renovating the Council Chambers and within a month or so we should be able to get back into it. Hopefully, we will be back by the second meeting in November.

Mr. Fran Dougherty stated yes, the good news is the back wall which we did not anticipate it being attached, after taking the sheeting down is attached, and it saves approximately one week worth of work for building the wall. The matrix of the ceiling above the dais is much stronger than anticipated and it saved four days' worth of work in replacing that.

Mr. Guridy stated that we will have the meeting here tonight and the next meeting is going to be at the West End Youth Center and we will have the following meeting at the Council Chambers, if not we will set up on the East Side.

Mr. Hanlon stated that Chambers should be ready.

Mr. Guridy stated that we should be back at City Hall for the first week in November. He asked if anyone wants to speak, they can raise their hands so we know who will go first and second. We are recording everything on a tape recorder so if you can speak a little louder because we have no microphone.

1. Invocation: Jeanette Eichenwald

2. Pledge to the Flag

3. Roll Call: Davis, Eichenwald, Glazier, Guridy, Mota, O'Connell, (Absent: Schweyer)
Frances Fruhwirth represented for the Solicitor's Office

4. Courtesy of the Floor

Mr. Lou Hershman, 405 N. Gilmore Street, asked about interest rates when LCA borrowed the \$30 million and the interest rates for the bonds that were paid off, was it one percent or two percent. My rates are going to go up because of that bond issue. He inquired about an investment committee stating that they don't meet and Council doesn't have a member on that committee. The Resolution states that City Council should have a member on that investment committee. We should have an investment policy. He asked about Bill 47, and how did the city pay holiday pay in water and sewer if money wasn't budgeted.

Mr. Julio Guridy asked Mr. Dougherty to investigate that and let us know and provide answers to Mr. Hershman.

Mr. Kenneth Heffentrager, 733 N. 11th Street, asked about the number of blighted properties in the city. We had a few days that it dropped to the 30s and noted the city is lacking in shelters and emergency shelters.

Mr. Guridy stated that we will look into the amount of properties that are blighted. I know that number as you know may change periodically. We will also look at the property at 116 that is owned by Wells Fargo and the funding for shelters and homeless individuals. We talked about it last meeting and the city is working on a funding source through an existing organization to help alleviate some of those issues. I talked about it at the Housing Authority meeting we had last week. There is not much that the housing authority can do itself, but we are in coordination with other organizations. Heidi Baer is working on a program or working with someone to channel some funding to those organizations.

Ms. Jenny Fraydas, 546 N. 8th Street, stated that her mom is having a problem with a neighbor. Things are escalating and the police do not do anything to him. He damages her mother's property and breaks the windows. She received no results from the police department; the address is at 618 Lehigh Street. She provided information to Mr. Dougherty. I filed a claim in court, and when he got served, things got worse. The police say that there is nothing they can do about it.

Mr. Guridy thanked Ms. Fraydas for coming and asked Mr. Dougherty to look into this and find out who is the Captain in that area.

Ms. Mota stated that she knows Ms. Fraydas and she owns a business and she create business in the city. I hope this issue can be resolved.

Ms. Gail Tannenbaum, 2208 Allen Street, inquired about an update from last meeting at West End Flood Project.

Mr. Guridy asked Mr. Dougherty if he had an update.

Mr. Fran Dougherty stated no, but Public Works is working on an RFP and assembled a team of himself and Rich Rasch and other engineers and they are now drafting an RFP. They are identifying a competitive bid process with a hydrology engineering firm. I don't have a date when that will be finished, but I know the draft is in existence.

Mr. Guridy stated that an RFP is a Request for Proposal and what the engineering department does is set a Request for Proposal and they get engineers and in this case they get a hydrologist and then it is a process of how those people are hired.

Ms. Tannenbaum asked the timeframe.

Mr. Dougherty stated once the RFP is identified, it takes at least a month.

Ms. Tannenbaum asked is there a way to speed it up.

Mr. Dougherty stated that is speeding it up.

Ms. Mary Ellen Koval stated that it has to be out on the street for a certain amount of time to get responses to it.

Mr. Guridy stated that legally we have to do that by statutes and state and federal. It is a competitive bidding process.

Ms. Tannenbaum stated that there is an issue of funding and I have a feeling that you guys are going to come back to me and say there is no money when you get the number.

Mr. Guridy stated that it is not going to happen.

Ms. Tannenbaum stated that she has a letter for emergency funding to Senator Pat Browne and Representative Schlossberg and I spoke to Senator Browne on Saturday and he is going to work on this with me, with you and the mayor's office. I also have a meeting with Representative Schlossberg this week. I am giving you a heads up than I am moving forward faster than you.

Mr. Guridy stated that is why we are hiring a hydrologist.

Ms. Eichenwald stated that she is happy that Ms. Tannenbaum is here. In my experience that unless you or someone is directly involved in this problem and comes every time to bring it up, things don't move as quickly. I admire you that you already have the go-ahead or at least the consent to discuss this with Senator Browne. As much as most of us want to sit on this side of the table and make this happen, it needs to be constantly reminded and constantly asked for updates. The process now is only to study the problem. What we ultimately want to see is the action to solve the problem.

Ms. Tannenbaum stated that she is fearful that it will happen again.

Ms. Eichenwald stated that it will have a good resolve.

Mr. Glenn Hunsicker, 844 S. 11th Street, presented a chart created by Mr. John Ingram presented it at the Budget and Finance meeting a week ago. He stated that he presenting it again because he is not sure everyone on Council received it. He talked about Bill 44 giving some scenarios about if you invest on the cost side comparison on the right hand side. He thought on Bill 44, the city was going to sell a bond at \$160 million through one local bank with some conditions that it will be for 15 years with caps on it for 3.5 – 3.75 percent. There is a risk is doing this for such a long period of time. I am not against a note that you don't put all the money into pension fund at this time. Fifteen years is just too long. Thirty years right now is already 3.72 percent and is already paying more than what the city would be getting. He asked who is working on the project. Is the Peirce Group involved in this?

Mr. Glazier stated that the decision as to the investment of proceeds will be done by the Aggregate Pension Board and I am fortunate to be Council's representative on that board. The Aggregate Board's investment is 68 – 70 percent in equities and the balance in fixed income securities. The investment comparable scenario really has no bearing in the investment strategy.

Mr. Hunsicker asked are you saying you don't think it will go out as a bond issue at \$160 million one lump for so many years.

Mr. Glazier stated from his understanding from the last meeting and something that we worked on during the summer and we will continue to work on during the balance of the year is that we are going to strive to maintain that balance that we have between equities and fixed income securities because we need to make a stated rate of return of 7 ³/₄ - 8 percent. We will certainly look into the fixed income portion of the portfolio towards shorter maturities.

Mr. Hunsicker stated once again, you don't think it is going into a fixed bond for a certain amount of years.

Mr. Glazier stated he would categorically say no.

Mr. Hunsicker asked is the Peirce Group the only group that you are actually going to invest the money.

Mr. Glazier stated that Peirce Park is our investment advisor and depending on the strategy that our aggregate board pursues, we will put out an RFP for other advisors to help us manage them. We will begin working on them in October and probably November or December. It is conceivable that the board will say that we wanted to put five years' worth of pension payments in securities that will come due when we need them. That process needs to be managed and there are professionals that manage them as their business.

Mr. Hunsicker asked when the next Pension meeting.

Ms. Koval stated October 10th to review some of the strategies. We have to have certain things in place. We are looking at all the work that needs to be done to do the investment.

Mr. Dennis Pearson, 942 East Tilghman Street, questioned Delta Thermo's contract and now LCA has to deal with the issue of providing enough sludge to handle their needs. If citizens go to court with an ordinance and Delta Thermo protests it, does that mean they are admitting that their emissions could be dangerous. Their construction and they are backtracking for their statement that their project will not cause any emissions to happen.

Ms. CeCe Gerlach, 956 W. Walnut Street, stated that the ANIZDA board decided to change their meetings to another night and make it the same night as Council. I attended another ANIZDA board meeting tonight and we were very excited as residents to learn that at the September 11th meeting that a jobs committee was going to be formed. Tonight we asked what the status of that committee was; we were told they are still thinking. With a little bit more investigation we found out that there is a huge amount of reluctance among board members to form such a committee. I know that City Council has no oversight over the ANIZDA board, but you have a lot of influence and personal relationships with many board members. I urge you to urge them to at least form a committee to explore what the ANIZDA Board can do in terms of supporting local jobs.

Ms. Diane Teti, 328 N. 8th Street, stated that they are appealing the decision that was made by the courts. In doing research, Allentown is listed as the 11th highest asthma capital in the country. On the issue of homelessness, we talked about it at the last meeting that we were here and were told that it was discussed before. I really would like to know where I can go to learn where it was discussed before.

Mr. Guridy stated that there is some kind of committee (all service providers) and they are working together. He asked Ms. Teti to contact Ms. Heidi Baer.

Ms. Teti stated that she told us we can't come to the commission meeting anymore and that's why I want to know what's going on.

Mr. Guridy stated that we can get information to you to let you know where the meeting is. The meetings should be public, they are public meetings.

Ms. Karina Quintana, 2134 W. Allen Street, stated that Gail is not the only resident who is holding this torch for the West End Flag. She has been spearheading it and we thank her tremendously for all of her hard work, but if you learned anything from our meeting on September 12th is that our neighbors came together. She is not the only one that is here and is upset and will make sure that it actually gets fixed.

Mr. Ernie Atiyeh, 351 W Chew Street, stated that the next meeting we have we need to have microphones. A lot of the stuff being said, I can't hear.

Mr. Guridy stated to Mike to see if there is a way to have microphones over at the West End Youth Center.

Mr. Hahn, 2016 E. Highland Street, asked who get the electricity that it supposed to generate as a savings for the citizens of Allentown.

Mr. Guridy stated that the electricity will be sold back to PPL and the money will be used between the city and Delta Thermo.

Mr. Hahn stated that the other side says they get it to run through their pumps as part of the deal.

Mr. Guridy stated that it may be, but I haven't read that in a while.

Mr. Hahn asked will there be a savings at all to the people. We asked if it was part of the negotiations with the bidder and at that time I got a non-answer. There is no proof that the money will go to us.

Mr. Guridy asked Mr. Dougherty to find out the right answer for that question.

Mr. Dougherty stated that he will make an inquiry.

Ms. Eichenwald stated that the city no longer owns the process of the water.

Mr. Hahn asked where is the money now that we received from the county and what is the interest it is drawing. Who has control over it?

Ms. Koval stated that right now it is in a restricted account at KNBT Bank and yes, it is running interest. As it is right now the interest is going directly back into that account. I believe that the administration will be introducing an ordinance to show where that money is and you will see an account and interest and the amount in it.

Mr. Hahn asked if council going to vote on this.

Mr. Glazier stated that it will be introduced on the 16th.

Mr. Hahn asked why we can't put bids out to the bond people to see who is going to give us the highest interest.

Mr. Glazier stated that you are talking about the proceeds from the lease sale. He stated that \$160 million of the proceeds will be transferred to the Aggregate Pension Fund to invest in police pension, fire pension and the O&E pension. That board has its own investment advisor. We got the proceeds for the lease, less the money for the defeasing the bonds. There are a limited amount of things that a city can invest in. It is controlled by the state and is very vanilla investments. If the city is anything like the school district, it would go out and say look this is the kind of money we got and this is the terms that we want to invest it with. Tell us what kind of interest rate you can give us. Approximately \$160 million will be transferred to The Aggregate Pension Board and will decide how best to invest that money given their investment guidelines and the market and the amount of return the bank needs to earn to meet the pension obligation. The Pension Board keeps their own books with their own reports. Our next meeting is October 10th at 10:00 AM.

Mr. Hunsicker asked if the .35 part of this discussion.

Mr. Glazier stated not at the moment to the best of his knowledge. At some point, it has to be discussed.

Ms. Koval stated that we get reports on each investments and it is broken down by each fund by where all the money is invested.

Mr. Hahn stated our main problem is that we don't understand the Stabilization Fund and how the \$4.8 become \$3.2.

Ms. Eichenwald said the .35, what will happen to that. That is much of a concern to me than any other thing. As a sitting City Councilperson, I have no idea if the administration decided to do without. If you pay it off, then you are no longer as eligible to have that .35. It is that .35 that we have to watch.

Mr. Guridy stated that his understanding is that the .35 will be maintained as much as we can legally maintain it.

Ms. Eichenwald stated that it will be interesting to see how that it going to happen. I would have hoped that since we spent \$1 million on advisors and we knew at some point that if this was going to go through we would have gotten some sum of money and would have discussed that there would have already been a solution previously to the sell. Unfortunately, this is not how this administration works.

5. Approval of Minutes: September 18, 2013

Minutes approved by common consent

6. Old Business

None

7. Communications

The next Council meeting on October 16th will be held at the West End Youth Center, 848 N. 20th Street.

8. Committee Meetings

Budget and Finance: Chairperson Schweyer

Mr. Glazier stated that they had an informative meeting. Mr. Hunsicker handed out a hand out that Mr. Ingram had presented and we had a discussion about bonds.

Mr. Davis stated that we will also have a meeting on October 9th at 6:00 PM in the 5th Floor Conference Room.

Bill 47 Transfer of Funds from Water and Sewer to General Fund

Public Safety: Chairperson Eichenwald

The committee has not met since the last council meeting; a future meeting is scheduled for October 16th at 6:45 PM at West End Youth Center.

Bill 43 – Iron Pigs EMS \$

Community and Economic Development: Chairperson Davis

The committee has not met since the last Council meeting; the next meeting is scheduled for October 9th at 6:30 PM in the 5th Floor Conference Room for the two bills below.

Bill 43 – Health Injury Prevention Grant

Bill 46 – Lead Removal Grant

Parks and Recreation: Chairperson Mota

The Committee met this evening to discuss Bill 45 and it's on the agenda tonight; a future meeting has not yet been scheduled.

Public Works: Chairperson O’Connell

The Committee met prior to the last Council meeting; the next regularly scheduled meeting for October 9th is canceled as there are no agenda items.

Human Resources, Administration and Appointments: Chairperson Glazier

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

Rules, Chambers, Intergovernmental Relations and Strategy: Chairperson Guridy

The Committee has not met since the last Council meeting; the revisions to and council rules in general are currently being reviewed by the solicitor’s office.

Special Committee – Tax Exempt Properties – Chairperson Eichenwald

The Committee will be meeting with Cedar Crest College this Friday morning and with Muhlenberg College the following week. We hope to have positive results from our efforts.

OTHER COMMITTEE REPORTS

Mr. Guridy stated that the Allentown Housing Authority met on Thursday and discussed many issues. You should have received the minutes of the previous meeting.

Controller’s Report

Ms. Koval stated that at the Budget and Finance Committee meeting, the two Controller’s interns presented their reports on Treasury and the Swimming Pools. The audit reports were not a part of that, but as soon as the audit reports are complete they will be forwarded to members of Council. There is a Special Pension Board meeting on Thursday, October 10th at 10:00 AM at the 5th Floor Conference Room. The next regularly schedule Pension Board meeting will be Tuesday, November 19th in the 5th Floor Conference Room and starts at 9:30 AM. The three boards meet first, Police, Fire and O&E, followed by the Aggregate Board Meeting which will start at 10:00 AM or 10:15 AM.

Mr. Guridy asked if the special meeting a public meeting.

Ms. Koval stated yes and it has been advertised.

Managing Director’s Report

None

9. APPOINTMENTS:

None

10. ORDINANCES FOR FINAL PASSAGE:

Bill 45 Jordan Dam DCNR Appropriation

Amending the 2013 Capital Project Fund Budget to provide for a supplemental appropriation of Forty Thousand, One Hundred Dollars (\$40,100.00) from the Department of Natural Resources (DCNR) for the Jordan Park Dam Removal project.

Ms. Mota stated that it was forwarded favorably 2 – 0.

Ordinance passed, 6 – 0

11. ORDINANCES FOR INTRODUCTION:

Bill 46 Health Lead Hazard Control Grant Roll-Over

Referred to CEDC

Amending the 2013 General Fund Budget to provide for a roll-over of Five Thousand Seven Hundred Thirty-Three Dollars and Eighteen Cents (\$5,733.18) of unexpended funds (01/01/2012 to 12/31/2012) from the Pennsylvania Department of Health Lead Hazard Control Grant.

Bill 47 Transfer of Funds

Referred to Budget and Finance

An Ordinance Transferring monies for the Water and Sewer Fund and making necessary appropriations for the General Fund Programs and Positions that are now part of the General Fund.

12. CONSENT AGENDA:

None

13. RESOLUTIONS ON SECOND READING:

None

14. RESOLUTIONS ON FIRST READING:

None

15. NEW BUSINESS

None

16. GOOD AND WELFARE

Ms. Mota congratulated the Parks and Recreation department on the events in the parks with 300 – 400 people in attendance.

Mr. Mikowychok thanked Ms. Mota and stated that they will have the same series next year.

17. ADJOURNED: 8:10 PM