

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



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COUNCIL MEETING MINUTES
December 19, 2012
COUNCIL CHAMBERS

Council Meeting – 7:00 PM

1. Invocation: Ray O'Connell

2. Pledge to the Flag

3. Roll Call: Davis, Eichenwald, Glazier, Guridy, Mota, O'Connell, Schweyer
John Marchetto represented for the Solicitor's office.

4. Courtesy of the Floor

Mr. Dan Poresky - Citizens for Allentown Water. What we are talking about tonight, is not on the agenda. What is on the agenda has to do with the Petitioner's Committee. It doesn't have to do with the Bill that you are going to refer to committee, Bill 82. It has to do with the Ballot Referendum.

Mr. Guridy stated that it has to do with water.

Mr. Poresky stated that it has nothing to do with water. It is not a word about water on here. We want to talk about water tonight. There is nothing on here about water. We are introducing something new.

Mr. Guridy stated that on the 3rd of January we have a Special meeting just for all of you to speak as long as you want. We would love to hear you speak about it. He has always given them an opportunity to speak about it. He wants him to abide by our rules. Our rules have been that when we have a bill to introduce and we all know what it is about. You can dress it how you want, but we know what you want to talk about. We will give you that opportunity on the 3rd.

Mr. Poresky stated that he doesn't want to give up on it because he is making a distinction; a very clear distinction and he hope he gets support from the people here and the council on this.

Ms. Eichenwald stated Marshall Law has not been established here in the City of Allentown. According to the rules, during courtesy of the floor people can speak on any item that is not on the agenda. That is the rule, but if you look at the Bill it says nothing about water. It talks about the selling of any asset worth more than \$80 million. Mr. Poresky and anyone else have a right to speak during courtesy of the floor.

Mr. Guridy asked what the fundamental basis of this Bill.

Ms. Eichenwald stated that assets not be sold that costs more than \$10 million. That the airport not be sold without citizen approval, that this building not be sold or anything else that the administration can think that they wish to sell for more than \$10 million.

Mr. Guridy stated that if you want to be deceiving to the public go right ahead.

Ms. Eichenwald stated that she is an elected official and she wants to hear what the public has to say. They have a right to come here and we should welcome what they say and welcome them with open arms.

Mr. Guridy stated that he has said that before, if you can't be civil then we are not going to have a good meeting. You can't go to a courtroom and try to do what you want to do. He is saying that they have to be civil, you have to abide by the rule and you can't speak on anything that is on the agenda that will be introduced and today, we are going to introduce Bill 82 which they obviously going to talk about. You can dress it any way you want to Ms. Eichenwald and you can talk about Marshall Law, but we all know what it is. He doesn't want to deceive the public or anybody else. If you feel like doing that and the rest of council wants to do that, he doesn't have a problem doing it. If you don't want to abide by the rules, he wants to abide by the rules of council and historically, that's how it worked.

Mr. Poresky stated that we are not here advocating for Bill 82, not here advocating the Charter amendment, not here advocating for the petition. What we are here advocating for is something brand new. We are asking council on their own to come up with their own ordinance and their own legislation that will let the voters choose whether or not if they want to vote or whether or not they want the water to be privatized. A very specific thing, brand new and we are asking you to consider it. The reason that we are asking you to do this now is because in the near future, whether it is weeks or months the mayor is going to come in with a lease agreement and what we are asking for is something to be put into place now that says that the voters will have a chance to vote in May on whether or not the water should be privatized. Over 90 percent, of the people that were asked about this said that they do not want the water privatized without having a chance to vote on it. The legislation needs to be passed soon and if you don't let this go to the voters of course, council gets to vote on the lease and that becomes final. The voters don't want that, they want to be able to vote on the lease. If you vote on it, quite honest politically you will lose either way. If you vote for the lease you will have the wrath of the voters to contend with. Over 90 percent of them don't want it. If you vote against the lease, then you are going to be blamed for tax increases and he understands the dilemma they are in and that's why he is advocating that you do something different and get legislation on the table that lets the voters decide on it and lets you be heroes. The mayor has made sure that everyone heard that the agreement will control water rates and protect the water supplies and that a private company is going to give the city \$4.5 million a year in a royalty fee, but those provisions in the agreement are being tossed. The lease agreement is being renegotiated with bidders because the bidders say that the original plan prevents them from making a reasonable profit. The final agreement will be much more costly and will provide fewer safeguards to water quality, source water and operational standards. Water rates are going to have to rise faster and higher than the mayor has been stating. You and the mayor have been constantly stating over and over again show us an alternative, we don't want to privatize the water if we don't have to, but we have to show you an alternative. We have handouts that people can pick up and that are available that shows the problem, it shows the pension obligation and how severe it is. Now, in 2013 the pension obligation was covered without having to raise taxes and it will be higher and who is going to have to pay for. It shows an option, not necessary one that we are recommending, but one that we can illustrate simply how it could be handled and that is a pension bond. It shows yes, there are taxes that has to be raised to pay for that, but much less taxes that we are going to have to pay for the pension bond directly. Then it shows what happens when you privatize the water and why the redline goes up so dramatically because basically what you are doing is borrowing a couple hundred million dollars from a company instead of the market. The company has to get that back with greater return on investment and they have to continue making a profit every single year and increase those profits of the CEO gets tossed and they bring in somebody that will increase the profits every single year. What you have is a lease agreement that is going to come to you; it's not the one that the mayor is putting out there. It is going to be renegotiated and you know that. That one is not going to be shown to the voters and all the good reason why the voters have to have a chance to vote on this on whether or not it is privatize because what they have been given and what the mayor has or not is not what it is going to end up being. Privatization by far,

is the most costly solution. That's what he is here asked to do and that's what many of the people are here to do is to tell you that we don't want to privatize and we want any privatization question to go to the voters and we need for you to do that on your own independent of any ballot initiative because a ballot initiative won't be around in time.

Mr. Guridy thanked Mr. Poresky and stated that he is sure they will hear about this on the 3rd.

Mr. Lou Hershman, 405 N. Gilmore Street, stated that Council will make a decision whether we are going to lease or not the water and sewer plant. Prior to this decision he is going to ask council to look at one thing, you have never asked the public to come up with any alternatives. You have not heard of any, but you have not asked for any. The .35 wage tax, Julio over 20 – 30 years could pay off a \$150 - \$200 million bond issue. That alone could pay it off. What we have in the budget and the raises every year. People get raises every year and that increases each year. We are going to get more jobs in Allentown with the arena, a couple thousand more people and that .35 stays for us and doesn't go towards the arena project and we could have enough money to pay off a bond issue. He is asking council before they vote on it because the PFM report was wrong. They told you that you only going to get \$1.5 million for the .35 percent wage tax and they were wrong it is \$6 - 7 million. They were so far off. Now he pointed to council back when you were on council the mayor made a deal with a FOP and the courts and \$16 million has to be returned to the City of Allentown on the policemen that retired pensions. Has that ever been considered in the report, the \$16 million that the policemen has to contribute back into the pension fund. That should alone reduce the MMO. You can't just say well let's lease it for \$150 million, that's the easy way out. Look at the alternatives, you haven't asked for the alternatives. He is asking before they do anything to look at all the alternatives. The finance director told them the last meeting the he gave them a report on how he funded the MMO for 2013. He keeps asking Julio where is it and he asked Jeanette if she saw it, but nobody saw it. He would like to know how they funded the MMO, the \$14 million in the budget. When he was on council, they received a report before this mayor came in and had a summary that they provided along with the budget on how things were funded. This administration he doesn't know why the city of Allentown resident and taxpayers are treated like mushrooms. They keep you in the dark with everything when he was on council if a taxpayer came to council the answer was always provided.

Mr. Guridy stated that he requested your question that you sent me a letter for the other day.

Mr. Fran Dougherty stated that they have the same answer that they will formalize in a memo to Lou even though they are in the minutes of previous council meetings.

Mr. Hershman stated no they are not. This is 2013. He is asking for 2013, the use of MMO and all other financing that was used to fund the \$13 million. That was not in prior memos. It can't be because the 2013 budget just was passed. He is again asking a breakdown on how they financed the \$14 million in the budget and that will show that .35 will be almost sufficient to meet the bond issue with other ways to pay the bond issue. That is why he needs the breakdown. Jeanette was right when she raised the question that council could overrule the president if people wanted to speak on anything on the agenda.

Mr. Guridy stated if you have four votes, yes.

Mr. Hershman stated that it could have been four votes.

Mr. Guridy stated no.

Mr. Don Ringer, 18th and Liberty Street, stated we solicited a petition and had 4500 people come and sign this petition. We did not even try to get people, they came to us. How could you ignore 4500 people in the City of Allentown?

Mr. Guridy stated that we are not ignoring 4500 people.

Mr. Schweyer stated that the petition is on the agenda.

Mr. Ringer stated that we had 4500 people sign the petition which is equates to 1 out of 5 people in the city or 1 out of 4 and looking at this deal that the mayor has proposed and his PowerPoint presentations they are not going to come to fruition. It is not working out this way and we already spent \$500,000 on this. That's a lot of money, Julio. It is not going to work. He is a businessman, a successful businessman and anybody that comes in and wants to lease this water is not going to sign this deal because it is not a good deal.

Mr. Guridy stated that he is going to give you a lot of time to talk about this on the 3rd. That's when we are going to have a special meeting.

Mr. Ringer stated that he is not talking about Bill 82; he is talking about what kind of deal this is. This is not a good deal. It doesn't make sense. Look at alternatives; we are presenting alternatives to you.

Mr. Guridy stated that they are looking at alternatives.

Mr. Bill Hoffman, 1518 W. Pennsylvania Street, stated that he is not here to discuss the initiative effort, the referendum on the agenda. He is here to discuss the alternatives to our pension plan, cash flow problems that should be considered. First, remember what you are doing is borrowing money to get the cheapest rate. Take it to heart that there is no such thing as financial magic. It is always going to be pay me now or pay me later. Consider this; compare the alternatives for this current situation where we see the pension cost peak in 2020, the pension bonds, the water and sewer authority, the lease and each other. Consider, the impact on real estate taxes, earned income taxes and water and sewer fees realizing that 2 out of the 3 alternatives discussed really affect all three. Consider that taxes are deductible, and water and sewer fees are not. Consider that the signatories will probably not be paying higher water and sewer fees. Consider what is in the long-term best interest in the city, not what is good for the short-run and bad for the long-run.

Mr. Glenn Hunsicker, South Allentown, stated there are a lot of things to talk about. He is trying to zero in on the RFP and where we stand on that. He understands that the PFM Group is handling the RFP for the city's administration. Who is the liaison for the City of Allentown for your side either through the administration or is it Fran or someone on city council.

Mr. Guridy stated you are right. He stated that we have a person by the name of Dan Koplisch. He has been attending all of the meetings.

Mr. Hunsicker asked if he was working directly with the city's administration.

Mr. Guridy stated no, he doesn't work for the city. He is a consultant for us.

Mr. Hunsicker asked about the council side. Do you have a special committee to review the RFP when it comes back?

Mr. Guridy stated that we have all been reviewing it.

Mr. Hunsicker asked if they were up-to-date on the draft interchanges between the concessionaires and what they are asking for you to do.

Mr. Guridy stated that he was going to say this later on under communications, but he will say it now. We just had an executive session with council and the team that is negotiating for this concession agreement. We were brought up-to-date. We had some questions and they asked some questions on what is going on.

Mr. Hunsicker asked if they were sticking to their original standards that were brought up in the draft that he has seen. There are some holes in that draft. He doesn't want to talk about that tonight.

Mr. Guridy stated that there are still negotiations going on amongst them and with the concessionaires.

Mr. Hunsicker asked what the timetable.

Mr. Guridy stated that the timetable is that the city is going to get something in January and get a final draft sometime in February.

Mr. Hunsicker asked if sometime in the next 30 days you expect the final bid. Would it actually come back?

Mr. Guridy stated yes, the bids from the concessionaires.

Mr. Hunsicker asked if Mr. Guridy will hold an open meeting at some point in the future.

Mr. Guridy stated that he will hold as much appropriate without hindering on the process. He is not sure yet. He will try to run the meetings with an open mind and he will listen to the public and that's why he is setting up a special meeting for you to talk about this specific issue on the 3rd. He has said this before we can be here until 2 or 3 o'clock in the morning, but he expects not to. Everybody will have a chance to speak about it.

Mr. Hunsicker stated that he hopes that when council listens to the public, they actually are listening.

Mr. Guridy stated that he is listening to him. As you know, Mr. Hunsicker you have asked us many things and he has been doing everything that he has asked including hiring an extra company to be a Peer Review.

Mr. Hunsicker asked if the PEL group going to come back and advise council on this again.

Mr. Guridy stated that they are looking at that as well.

Mr. Michael Sinclair – Physician and lives in Salisbury Township, stated that he thinks that the privatization of water and sewer in Allentown is a bad idea for Allentown and a bad idea for the whole Lehigh Valley. When this whole thing started a several months ago, he made phone calls and knocked on lots of doors in the west end of Allentown. He does recall one single person thinking and saying that it is a good idea.

Mr. George Raad - Salisbury Township, stated that he is a business owner and a property owner and investor in the city. All of his lives holdings are in the city. He is a lifelong resident and property owner and he is here as an Allentown property owner and an Allentown realtor. He is not representing the Lehigh Valley Association of Realtors which he is very much involved with. He loves Allentown and the Lehigh Valley and always wants to see it prosper. In his opinion this lease is a band-aid. It is not a cure. He

wouldn't mind spending the money or doing something of the lease if he know it was going to benefit them for the good. We must fix the problem so that we are never in the predicament again. Leasing this valuable asset will not permanently sustain the revenue needed to pay the problem debt a few years from now. What do we sell when the lease funds are depleted? One of his biggest concerns is losing control of an asset. That's why he never leased a property. He always tried to own it because he had control of his own future. He has control of his own debt. We are all at the mercy of another entity who would be interested in profit and not our residents of the city. What happens when our fire trucks uses some of our fire hydrants for emergency practice, what happens when we use water for public fountains, we go into the hallway out here and the water is leased. There has to be costs that they are going to charge the city for that usage for our swimming pools, our rose gardens, our parks, our golf course and any other municipal use that takes place. What happens when we have a water main break? How much will our taxes go up to cover these costs with the new entity or the new fees charged for the use. He feels that they are parallels with the state of Pennsylvania wanting to privatize the Pennsylvania Turnpike where they found out that the short-term gains were not feasible or worth the long-term losses. Thank God, it was not passed for those same reasons; this lease should not be approved. There are statistics by the Food and Water Watch, a national and international consumer organization that monitors this situation and has provided evidence that water prices will dramatically increase over the next few years even though it is being stated that no increases will take place. Any cost increase in water, sewer and real estate taxes will adversely affect property values in Allentown and other municipalities that rely on Allentown water and sewer. Also, any increases will be detrimental to tenants where by landlords will increase rents to cover any additional costs. In closing, any one of you sitting before you today has the ability to be a mirror of our city. He thinks it is benevolent with their leadership. Would you not want this great asset to be part of your revenue and budget in the future? Once it is given away, it is not within your control anymore. Don't make the same mistake as to what was done in 2004 that got us into this mess today. We the people are entitle to vote on how our future should take place. He is asking that we put this on the ballot.

Mr. Kenneth Heffentrager, 733 N. 11th Street – Tenants Association of Allentown, stated that this is fantastic seeing how many people that came out here to voice their concern about this issue that affects the residents of Allentown and the outcome that could affect the residents for years to come. If only he could get that support for another issue that has affected every resident in Allentown for the past 20 years and will continue to affect the residents of Allentown. That is the problem with the slumlords. Slumlords destroy the quality of life, slumlords decrease property values and slumlords are deteriorating the neighborhoods. They put continuous stress on city resources and they typically deal with a high number of evictions. Their property filth and crime and slumlords affect the ability to grow, prosper and attract new businesses and industry and attract new residents. They lower the number of homeowners by continuing to buy up homes on a weekly basis and turn them into rentals, not conversions because they are renting the whole building out further affecting the tax basis of the property values. How many people tonight know that when a building is tag unfit for human habitation that the resident typically turn to the city for cash assistance to find housing which further strains the city's budget. Slumlords are largely responsible for a cancer that is called blight which continues to spread week after week. Take a drive around center city and look at the condemned buildings, take a drive down 9th Street where on the 300 block alone its are 12 condemned homes and there are only 30 homes on that block. Go down 10th Street, in a three block stretch where there is 13 condemned homes and not to mention 6th Street and Washington Street. The point is, we that we seem to not have a shortage of people who care about the City of Allentown, yet there is little press given to this issue and the reality is that the Tenants Association is the only one teaching publicly about this issue which he is going to continue to do so and they will continue to see him. His wish for the new year that more people will join and support the tenants association. You do not have to be a renter to join the Tenants Association, power is in numbers. He spoke to Senator Pat Browne this week, and get to speak to Mr. Schlossberg tomorrow and he is hoping to speak to the two senators of the state. Please support our efforts to expose it and the slumlords. Enough is enough and the first step is Section of Act 90 that was

passed in 2010. It doesn't cost the city any money in which the city could deny residential rental unit permits if any of their properties have code violations. It is real easy, just tell them no.

Mr. Schweyer stated to Mr. Heffentrager that he would like to correct the record on something. The 13 properties on 9th Street were tag for unfit for human habitation and he is not trying to split hairs with him, but there is a difference between condemnation and unfit. Unfit is an administrative act. There is a legal difference. They are uninhabitable, you are right about that, but there is a difference between the legal termination and we talked about that before.

Mr. Heffentrager stated there are six of them were immediately vacated and to him it's condemned.

Mr. Schweyer stated that he understands, but the legal definition. On a related matter, tomorrow the bill that we passed a couple weeks ago we are having the ceremonial signing tomorrow at 7:00 PM for the bank owned properties. That was a step that we talked about before.

Mr. Tony Marger, 526 N. 27th Street, stated that he is here for the third time for the same reason of the first two times. He is here tonight because he did not receive a response from Mr. Fran Dougherty for his question. He prepared a statement which was scaving in its nature, but because of the holidays he is not going to. He is very unhappy and it has been 13 months now. Getting into the response to his question there is very little that is accurate in the response and one of the major questions was who paid for these trees. It is more than less implied that Tree Vitalize paid for the trees and he is assuming that is correct.

Mr. Dougherty stated that Tree Vitalize paid for the trees.

Mr. Marger stated that is incorrect. He also claims that there were extra trees which of course is not true. He has the applications forms for 2008, 2009 and 2010. In 2008, there was a request for 139, in 2009 there was a request for 90 trees, and in 2010 the request was for 140 trees and that is 369 trees. The city planted 138. He doesn't see how there were extra trees. They were actually 230 trees short. There were no extra trees. He attended an hour and a half meeting with Virginia Savage who was the Tree Revitalize Coordinator; Cindy Feinberg, who is the county head of community development; the state forester who reviewed the trees for the county; a teleconference with Kristen Tyster, who was the state's DNR and a representative from Tree Revitalize. Over that hour and a half they explained that they have done an audit for the city's revitalize project and the city actually had to give money back and of course, the stipulations and conditions of getting this money are you have to follow what you requested is which is here. He stated that he guesses council voted on this and he doesn't know if they remember how it worked out. Upfront there was a presentation where the trees were going to be planted. They have to be planted there and if they are not planted there, there are rejected which is why an awful lot of what the city actually requested and he has the reimbursement request here which were way out of line which includes request for reimbursement on things that the city even paid for. It actually includes reimbursements for trees that were part of the memorial tree program which were paid by donors. In essence, they are submitting fraudulent reimbursements requests on top of everything else. In Mr. Dougherty's response, he said that some of these extra trees were planted elsewhere. He would like to see the addresses of where those trees were planted.

Mr. Guridy stated that initial you stated that Mr. Dougherty never responded to you. Did he respond or did he not respond to you.

Mr. Marger stated that he did not respond to him. He tried to contact him three times and left messages for him and spoke to his secretary. He never responded to me.

Mr. Dougherty stated that he received a response that he granted to city council.

Mr. Marger stated that what he is claiming in his response is not true.

Mr. Guridy stated that you got a response, but you just don't believe his response.

Mr. Marger stated no, it is just not true. If the city requested only 369 trees and only planted 138 how are there any extra trees to be planted at my neighbor's house. You are 203 trees short.

Mr. Guridy stated that he will look into that with him.

Mr. Dougherty stated that he has done an exhaustive forensic. This is not tree gate. This is an issue of a personal nature between him and his neighbor concerning two trees. He stated that he will do no more research and say no more. There was a misaccounting and he is absolutely correct on that back on the Tree Vitalize grant and it was sloppy paperwork on behalf of then Parks Department leadership that has been corrected. We are in full compliance with the state, the state with Tree Vitalize and we are in full compliance with friends of the parks. Whatever personal vendetta he is through with and he will not entertain anymore of his staff time on this issue.

Mr. Marger stated that he will be more than happy to meet with council privately.

Mr. Guridy stated that he could talk to him privately, but you are going to get the same response. He is not going to get into an issue between you and your neighbor.

Mr. Marger stated that all you have to do is talk to Virginia Savage and she will tell you that those trees were not paid for by Tree Vitalize.

Mr. Guridy stated that he is not going to get into that. He is not going to get between you and your neighbor's issue.

Mr. Marger stated that this has nothing to do with his neighbor. This is him and the parks department.

Mr. Guridy stated that Mr. Dougherty already explained to you there was some sloppy paperwork, there were some mistakes there and they have corrected them and are in compliance with.

Mr. Marger asked how you could you say there were extra trees.

Mr. Guridy stated that you heard the answers. You got the letter and heard the answers. He asked Mr. Marger to talk to his neighbor.

Ms. Paulette Hunter stated that she would like to personally thank City Council, Mr. Dougherty, and the staff of the city council in meeting with her regarding the storm. It was a very good meeting and now she understands what happened. She was given information that she did not have before to help her and assist her through the process. She is going to get back to Mr. Dougherty once she reviews all of the paperwork. Chief Scheirer gave her a lot of stuff to review and she really appreciates and say thank you for extending out and Mr. Dougherty getting that done. She stated about the water, she is not in agreement about selling the water. She went around and spoke to about 350 people in Allentown and she did get signatures and they are not in agreement either. As you know, she doesn't understand the process and she wants to know what is the next process on putting that on the ballot and making sure that it is on the ballot because everyone was not in agreement and wanted to make their own decision on the water. She

did not get to make a decision on the Iron Pigs baseball or on Hamilton Street. She would like to make a decision on this. Her drinks water every hour on the hour and water is very important to him and she wants to know the next steps in making sure it is on the ballot.

Mr. Guridy stated that he is glad that she made a decision on the part that we revitalized in Cedar Beach. Let him just tell her, he was just talking to someone last night who works at Boscov's and she said that was a very nice park and really good for people with disabilities. She really loves it.

Ms. Hunter stated that she could not have done without them all. She is just telling them.

Mr. Guridy stated that the other issue regarding the water process is that you have a petition and we will discuss it on the 3rd. Council can vote on it to approve it or not approve it and then if they don't approve it, it will go as a question on the ballot and then to put it on the ballot in the November election.

Ms. Hunter asked about the incident that happened in the Allentown School District on Linden Street where the child got shot. She is really concerned. She has been at the safety meetings, city council meetings and she has talked to parents. This is not news to anyone that was going to happen because it has happened over and over again and the superintendents now and before said that they were going to beef up stuff and a lot of the parents say would help if the uniform would help identify who is really school district children and who is not. We really need to address that seriously because it has been an issue a long time before that incident occurred.

Mr. Guridy stated that we had a committee of council and Mr. Donovan, Mr. O'Connell and himself were part of that committee and met with the school district that had a larger committee and we proposed that idea in the committee. The idea was with the school board. He asked Mr. O'Connell does he know where it is.

Mr. O'Connell stated when we were on the committee there were three issues and one was to bus more kids to and from school which was accomplished, staggered starting and ending times which was accomplished and the third one which was not addressed and taken over by the school board is the uniforms and he thinks this year they are doing a study on it. He asked Mr. Hunter if she still goes to the safety taskforce. Don't let it die. Keep pushing it.

Ms. Hunter stated yes. Like the President said with the firearms we need to stop having all these meetings and committees and start doing something about it. She hopes the city and the school district do something because this is not a surprise to anyone that this was going to happen.

Margarita Haussler, 1406 Hamilton Street, she is a relative new full-time resident of Allentown and she is not going to say that she is an expert on this water leasing, but she would really like to request that the council consider putting this up for a vote. There are a lot of comments going to being made, but we all need to step up and consider in the 21st century water is going to be an issue and the ability to have and guarantee a safe water to supply residents and the city and is it critical and they need to make sure that we take their time and study the options. She understands to a certain extent the issue with the pension, but the other hand they are looking at an extraordinary important asset of the city. She would like to make sure that with the work of the council we can have public chime in and be put to a vote. She is starting to do more research and would be happy to come as she learns. The more she learns the more comes out to her in the 21st century water is very important.

Mr. Guridy thanked Ms. Haussler and stated that he hopes she will go to the website where the proposed concession agreement is on the website. Please look at it.

Ms. Haussler stated that she is playing catch up and her initial reaction when she first saw it was, it is water which she is sure a lot of people say. The more you think about it and the more you do research it becomes an issue to her.

Mr. Guridy stated that on the 3rd of January we are going to be talking about the same thing so please come back.

Mr. Dennis Pearson, 942 E. Tilghman Street, stated that as we speak sometime tonight the county will vote on a certain measure and trail which if we understand the trend of the commissioners they will vote against the money therefore, leaving Allentown without money for a certain trail. He advised them that when you look at the sewer treatment plant the operations there have a certain lifetime style. Are we near certain processes of beating there mandated running time as far as needing repairs of the water and sewer plant in the future years which leads to the point that somebody on council stated that the possible loss of \$500,000 is just not substantial. It is when you may need that money to make those repairs. He looks forward to jobs in downtown Allentown, but he want jobs throughout Allentown. He stated that area must not be neglected for complete enfaces in the downtown area. As far as the firemen's contract is concerned, a loss of four people per shift. There are four people at the east side firehouse. Now, it makes sense that you are delaying time getting that back into operation.

Mr. Spencer Snigg, West Main Street, stated that in order for a company to make a profit off of this water lease they have to raise the rates or reduce the quality of the product. In order for the city to make a profit off of their profit why don't we just raise taxes to maintain control over our water resources, just raise taxes. In terms of other possible way of saving money in the long-term things would make the school a little more effective by doing things like student tracking. They will have one teacher for grade 3, 4 and 5. There have been a lot of studies showing if a teacher who stays with the student for three years, they can create a much better bond with them and this saves time in all the school year for the first coupe months of the teacher's experience and the teacher getting to know the students and creating that bond. If they already have that bond then each year the students will continue to track to the same teacher that is time not having to repeat it.

Mr. Guridy stated that you need to go across the street. The meetings are Tuesdays and Thursdays every week.

Mr. Glazier stated Thursdays, but the board meetings are tomorrow evening at 7:30 PM.

Mr. Guridy stated to Mr. Snigg, those are great suggestions, but wrong body.

Mr. Snigg stated don't sell our water.

Mr. Guridy stated that we will be talking about that again on the 3rd.

Mr. Rich Fegley, 1002 S. Bradford Street and family owns and operates the Allentown Brew Works, stated that council knows where he stands on the water lease, he is against it. He would like to bring up that this is an easy way for the mayor to not have to raise taxes. It sounds like a republican thing not raising taxes. He feels that all other options are valid options and it seems to the public that council is waiting for these options to come in and they were already presented and everyone already has seen them, but for some reasons we are discounting this. He would like to bring up the incinerator which that is in the news as well which is a \$500,000 bill that we are probably going to be stuck with. If we could remember their project started out as a \$25 million project and now it is a \$45 million project. The mayor again, brought his fear

tactics to the room and scared us to thinking that landfills will be filled up in the next couple of years. He would like to remind council that in the past few month two local landfills has had extensions for expanding their landfill operations. A lot of the mayor's argument was the fear that he put in all of you that the landfills were going to fill up and I specifically remember Mr. Schlossberg stating and reiterating to everybody about the fear of landfills filling up. He is also concerned that Mr. Schweyer mentioned in the article that it is only \$500,000 as in it is not many millions of dollars. He stated he did not say necessarily it is only \$500,000.

Mr. Schweyer stated that is not at all what he said. What he said is that we didn't do a municipal backed guarantee like what was the first part of the conversation. We resisted the urge to put taxpayer money online to back any of their bonds which was exactly the responsible thing we should have done which we should continue to look out in the future for any economic development project.

Mr. Fegley stated that they are not looking out for how the administration is spending their money. We had that argument and it was brought up many times. Here is another one where the administration somehow had a half of a million dollars or more to spend on researching something and they also had the right to do this because they had another \$500,000 - \$1 million that they could research a water lease deal. Again, both reports came back from PFM for the incinerator, if any of you could remember. It was like a three page report and three of those pages were graphs that were just filled with lots of numbers and no explanation and that seems to be what city council made their decision on the incinerator that it looks good. He stated that he presented several numbers which showed you how this plan fails and so did other people in the public. No one was interested in that. He is reminded everyone that we are going to have a large bill again, if the water lease doesn't go through. With the citizens pushing not to allow the mayor to do this, we are going to get stuck with the bill. He wanted to say farewell and thank you the Fegley's are finished with our lease at the Brew Works on the Green. The mayor and the golf course manager chose not to extend our lease for the final year. Therefore, the city has a possibly a new operator and he is not sure if it has been announced. At this time, there is no operator to operate food and beverage at the golf course. We are disappointed to go and we had a fun time being there and really enjoy seeing what we have seen. We have seen some really good successes, but we really didn't have any help from the golf course manager. He was a big detriment to our business. There were a lot of funny things that he would be glad to talk to council about some as well.

Ms. Eichenwald stated to Mr. Fegley that she is going to voice her own opinion. She views your leaving the golf course with deep regret. You and your family and other members who are here invested in the city before it was in the fashion to do so. You invested your own money, your time and your effort. She is personally very sad that all of your efforts on behalf of community and economic development were not taken into consideration. You have operated that restaurant in good faith. It was a wonderful operation and she is personally sorry. When you talk about fear in all of us, Mr. O'Connell and I voted against the incinerator and the only reason why she is mentioning it because she cares so deeply about that particular project. Her remarks are one of heartfelt gratitude for all that the Fegley's family has done and she hopes that they will continue to prosper in the city in many ways.

Mr. Guridy stated that he will second the latter part of that as well. He wishes him and his family very well and will continue to visit you at Brew Works.

Mr. Fegley stated that they have a future here, a bright future and they are not going anywhere.

5. Approval of Minutes:

None

6. Old Business

Mr. Schweyer stated that last week again, he brought up again two weeks ago that the four nonprofit hospitals, now including Kids Peace are working together to address community health needs as part of the Affordable Care Act. He thanked Mr. Guridy and Mr. Glazier. He had asked if members of council are able to come out to hear a very lively and very interested folks over at the Salvation Army on 8th Street. It was great seeing you and noted that Council was well represented there. It was just a really good to see. The school board members were there a week before hand. He appreciates them coming out. It was an excellent meeting and they should get a report in the next two or three months that would be made public to follow up on it all.

Mr. Guridy thanked Mr. Schweyer and stated it was his pleasure to be there and he agrees that it was a great meeting about health issues in our community and he is looking forward to seeing the reports as it comes out.

Ms. Eichenwald stated that this is the fifth or sixth time that she is bringing this up. She was expecting and was told it was coming in two weeks. Two weeks have come and gone unless Mr. Dougherty you have the report this evening.

Mr. Dougherty stated not with him.

Ms. Eichenwald stated that once again, the deadline has passed. What she is referring to is that she asked the administration to let the city council know since we are the fiduciary body of what was not accomplished since a half of million dollars were spent on the research on the water project and a half a million dollars was spent on the incinerator project. A million dollars was taken out of the city budget and as of today, this is probably the third month and the fifth or sixth time she is asking that we be told what was not done in the budget in order to pay that million dollar bill. She finds it absolutely unacceptable that a member of city council, herself time and again has asked for this report and last time everyone shook their heads on city council agreeing that in two weeks and the time once again, has gone by and the administration has provided us with no information. This is absolutely unacceptable. This is bad governance and bad government and not a way in which a city should do business. She stated that her other point is that city council hired PEL to provide us with their report of what should be done as far as the looming pension crisis and they had two suggestions. One was to continue the RFP and she knows that the administration is working diligently in that direction. The other recommendation was at the same time that the RFP is being formulated that we look into an establishment of a Public Authority. One that would be an alternative and we are talking tonight about alternatives. A very serious alternative recommended by PEL. Her question is once again to Mr. Dougherty and the administration, are we proceeding with the Public Authority, the investigation of it.

Mr. Dougherty stated that he cannot answer that question. It is not his project, but he will pose that to the finance director.

Ms. Eichenwald asked if she will have an answer and hopefully that answer will be yes that the same way that they are proceeding with the RFP that we proceed in looking at a Public Authority. Time and again, we are told there are no alternatives. PEL has recommended to us that this is a viable alternative. She suggested that they look into it.

Mr. Guridy stated that PEL said that we should wait until we get the bids.

Ms. Eichenwald stated no, they said we should go with the RFP and at the same time begin an investigation into a Public Authority. It is stated there and written in black and white. PFM was hired by the administration to find a solution for the pension crisis. The solution that they came up with discounting all

others was that we privatize the water. She finds it extremely interesting that PFM is now the consultant negotiating the privatization RFP.

7. Communications

The City Council held an executive session tonight at 5:30 PM and the subject matter was the sale/leasing of city assets. We got an update about what has happened which they will talk about on the 3rd of January. Mr. Guridy stated that the City Clerk's office received two memorandums from himself for the nomination of president and Ray O'Connell for the nomination for vice president.

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, but will be scheduled in the earliest part of January. On our agenda in addition to financial statements, line 46 account issues as we discussed and a conversation in February the mechanics of what happens if the water/sewer plants are in fact privatized in terms of what we do. We will have conversations about are the budgets reopened, what does it look like and what is Council's role. Those are the two big issues in addition to the monthly financials and those are the two topics that are left over from 2012.

Public Safety: Chairperson Eichenwald

The committee met this evening to discuss the payment from the Iron Pigs; the next meeting has not yet been scheduled.

Community and Economic Development: Chairperson Davis

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

Parks and Recreation: Chairperson Mota

The Committee has not met; a future meeting has not yet been scheduled.

Public Works: Chairperson O'Connell

The Committee has met on December 5th; the next meeting has not yet been scheduled.

Human Resources, Administration and Appointments: Chairperson Glazier

The Committee has not met; a future meeting has not yet been scheduled.

Rules, Chambers, Intergovernmental Relations and Strategy: Chairperson Guridy

The Committee has not met; a future meeting has not yet been scheduled.

OTHER COMMITTEE REPORTS

Mr. Guridy stated that there is usually a Housing Authority meeting for this week and that meeting has been cancelled until next month.

Controller's Report

None

Managing Director's Report

Mr. Fran Dougherty stated that he has three items to discuss very briefly following on Mr. Peason's one topic of growing green and the future and county meeting tonight. The mayor is in attendance and the mayor has spoken and unfortunately they did not have enough five votes to untable the measure. There were about 50 people in attendance. We are cautiously optimistic that they will vote on the many projects before them including a very important project for the MLK trail. That money is earmarked to serve as our match of the \$350,000 DCNR grant. If we do not get that we have to go to the drawing board in order to reserve that grant money. As you remember, that trail is to connect Parkette's to Wegman's in one trail network. Mr. Fegley mentioned his farewell to the golf course and we wish him well. He thinks they reinvented the golf course restaurant and he knows that there were council people in his absence when they were awarded the golf course restaurant to see the other operator go and we were sorry that they did not apply for the RFP this time around, but we wish them the best. He stated that he has Tom Harper here

to talk about a very successful signage operation. As you well remember, he briefed council on operation signage and taking illegal signage down from our right-a-way poles across the city which the city views and continues to view as litter and quality of life issues. He stated that Tom has taken the lead and he must congratulate him on hard-earned success. It was his aggressiveness and Intel gathering and has really made a difference in not seeing a lot less illegal signs on our poles across the city.

Mr. Tom Harper stated that this was an initiative that involved his program, the Sweep Program along several departments in the Public Works Bureau, Streets, Recycling, Traffic and Building Maintenance. In mid-August they did a blist of the city all sectors of the city involving signage that was on the main artery in and out of the city throughout the city. If you had noticed, there were signs that were offering to buy houses and selling cars. You name it. They were all on just about every corner. They were put on to telephone poles and street light poles, etc. What transpired is that they did the first round and within that round approximately 140 signs were removed from the city. Those signs were brought to my office by the various bureaus and from there himself and Christina Behler tried to locate the people who were responsible for those signs. A lot of the signs just had phone numbers on them. It was a difficult task to try to locate who was placing them up and what ended up happening after the first round was removed a couple weeks later the same signs were put up again, in the same location. What ended up happening when we went out and remove them also and then once we started to track down these people through different media and we tried calling them and all we kept getting were answering machines and no success there. Obviously, they are not going to call back if someone's caller id says the City of Allentown. Using Social media, Facebook and Craig's List, we did track down just about everybody placing signs up in the city. We ended up sending Sweep violations tickets to the people placing the signs and prompted quite a bit of phones calls from them. A lot of responses were that they did not know they couldn't do it. Other people put them up so we thought that we could. We thought when the first ones were taken down; we thought it was our competition so we put up new ones. There were a whole host of reasons why they were putting these signs up. Needless to say, in the four month period from August, September, October and November there were 191 tickets were issued for this violation to violators. As you have seen, when you travel throughout the city you seen a great reduction in the number of the signs. Needless to say, we have seen signs go up for people we have issues the Sweep violation to and with that he thinks the program was a success. Word got around very quickly and in fact several of the different sign of "buying houses" or "I pay cash for houses" called each other. They know we were out doing this and we will continue to do this. Hopefully, people understand this is illegal to do this per the neighborhood ordinance. We will see a great reduction of the signage around town.

Ms. Eichenwald asked Mr. Dougherty when will she have the document to say what was not accomplished from the 2012 budget in order to pay \$1 million to consultants.

Mr. Dougherty stated by this Friday, December 21st.

9. APPOINTMENTS

10. ORDINANCES FOR FINAL PASSAGE:

Bill 80 EMS Ordinance Iron Pigs

Amending the 2012 General Fund Budget to provide for a supplemental appropriation of Fourteen Thousand One Hundred Thirteen Dollars and Seventy-Five Cents (\$14,113.75) from the Lehigh Valley Iron Pigs for EMS Services.

Ms. Eichenwald stated that this was in front of Public Safety and voted 3 – 0 favorably. This appropriation will be put in the fire department's premium pay budgetary line because the firemen that do the service for the Iron Pigs do it as extra time, premium pay.

Ordinance passed, 7 - 0

11. ORDINANCES FOR INTRODUCTION:

Bill 82 Initiative

Referred to Special Committee

An Ordinance Submitting to Referendum a change of the Home Rule Charter that requires the sale or transfer of control of certain city assets or land be approved by citizen referendum.

Mr. O'Connell asked if there is an amount missing. For the bill to be introduced you have to have the exact verbiage. He will feel better if it reads on the agenda.

Mr. Marchetto stated whatever you want to have read in you can have read in. You wish to say the sale of certain city assets in excess of \$10 million be approved.

Mr. Davis asked it says here the citizens' referendum, should that say citizens' initiative.

Mr. Guridy stated that it should actually say that, but he will leave it up to the City Solicitor.

Ms. Eichenwald stated that they should use the same verbiage that's one here.

Mr. Marchetto stated that the Bill is requesting is that anytime there is a sale or lease of city assets in excess of \$210 million that the citizens approve the sale or lease by referendum. That would be a referendum question. His understanding of the Bill is that anytime that would occur, meaning the lease or sale of a city asset that it would have to go to the voters and that would be called a ballot referendum. This ordinance itself is an initiative ordinance, but the results of it would be a referendum.

Mr. Glenn Hunsicker asked if he could have the correct wording in this because he didn't see there were ten years involved in it also.

Ms. Eichenwald stated that we have it on the actual bill.

Mr. Guridy stated for a period longer than ten years. It will be heard at a Special Committee on January 3rd.

Bill 83 Shade Tree Ordinance

Referred to Parks and Recreation

Amending the 2012 Capital Fund Budget to provide for a supplemental appropriation of Ten Thousand Sixty (\$10,060) Dollars as payment in lieu of planting as defined by the Shade Tree Codified Ordinance.

Bill 84 Parking Meter Ordinance Revisions

Referred to Public Works

Amending Parking regulations by providing certain exemptions for city and school district vehicles conducting official business.

Bill 85 Pipe Line Safety Initiative

Referred to Public Works

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of Fifty Thousand Dollars (\$50,000.00) as a result of a grant from the U. S. Department of Transportation to the City of

Allentown. The Technical Assistance Grant is part of the Pipeline and Hazardous Materials Safety Administration.

12. CONSENT AGENDA:

CA-1 Certificates of Appropriateness

Resolution passed, 7 – 0

13. RESOLUTIONS ON SECOND READING:

None

14. RESOLUTIONS ON FIRST READING:

R56 Records Retention

Authorizes the Disposition of Records

Referred to HR, Admin and Appoint

15. NEW BUSINESS

16. GOOD AND WELFARE

Mr. Schwyer stated that he asks as we go into next year what part of our rules that when folks come up during courtesy of the floor are asked to provide their home address, not necessary their work address also no address. Saying that you live in Allentown is a little different than you saying you live at 1234 N. 5th Street. That is part of our rules unless a resident specifically asks that their address be redacted. One person that spoke today and he won't mention whom has asked that this person's address be redacted in which we are always comfortable with. That is something if we can as possible to reserve for next year so that we could go back to our protocol and our process.

Mr. Guridy stated that it is very appropriate and he agrees with him.

Mr. O'Connell stated to Mr. Dougherty that they had a request from the press/the media that when we have anybody from Central Administration or your cabinet that they identify themselves what their name is and what their position is so that the reporters don't have to track them down two hours later.

17. ADJOURNED 8:24 PM

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