

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
March 20, 2013
COUNCIL CHAMBERS
435 Hamilton Street

Council Meeting – 7:00 PM

1. Invocation: Joe Davis

2. Pledge to the Flag

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

4. Courtesy of the Floor

Mr. Lou Hershman stated that his purpose is for the water and sewer lease. If you walk around town and meet people in stores this is a big issue and 99 percent of the people are against it and Council seems to be throwing cold water on people's initiative to have a public meeting to have more participation and have a committee to look into this Julio. As Dan Poresky said in his article in this morning's paper which is well written that this was going to bind generations. The mayor kicked the can down the road on the refinancing that is going to cost the city taxpayers \$50 million more. Remember that, you voted for it and now he is going to kick the can down the road again and his intention is to leave town. He is holding a \$500,000 fundraiser in New York for Governor. That is his intent to run for Governor. He is using the .35 percent wage tax to balance the budget and the Charter says and Julio you know what the Charter says because you were on Council when this thing came up before on the .35 and we raised the taxes on LST. We cannot amend the tax increases without going to the voters of Allentown as we did with the LST tax. Since he is using the .35 money to balance the budget instead of to put in the pension fund you are violating the Charter. Take a step back and put that water/sewer lease into history, start all over again and see how we are going to finance this thing because the Economy League study and the other study with the .35 wage tax which they put \$1.5 million which you know is wrong. You see the budget; you know it has more than \$1.5 million. Already there is more money to fund the pensions and they are telling you and you keep throwing cold water on it. Put it away and see how we are going to fund the pensions.

Mr. Guridy stated that for one point of clarification, he asked the controller, Ms. Koval are we using the .35 to balance the budget or what it was intended to do to pay for the unfunded pension liability.

Ms. Koval stated that this question was answered several times at the Budget and Finance meeting and by our finance director and deputy director that the .35 is going towards our pension funds.

Mr. Hershman stated that she is incorrect. Under the Right to Know law, I requested that in writing. Saying one thing is one thing, and putting it in writing is another. I am asking to see it in writing and have requested this since December. They can't put it in writing and I want to see it in writing.

Mr. Ken Heffentrager, 733 N. 11th Street – Tenants' Association, stated that last week he asked a couple of questions and did get an answer to one tonight so far. Does the city utilize Act 90? Act 90 makes you aware if a slumlord shows up in your offices to get a rental permit and you say no, fix your properties then

we can talk. Two weeks ago there was a special meeting about the PILOT and this document was handed out with all the tax exempted properties. Isn't it slightly embarrassing to the city to go and ask for money from tax exempt owners when the city itself owns hundreds of properties that sit and do nothing? On Seventh Street the Redevelopment Authority of Allentown bought a place in 1996 and it sat dormant for 17 years of no taxes. Now we have the Allentown School District are getting rid of 150 more people because they don't have any money to pay and the school taxes getting lost on buildings that the city has owned for over a decade. On the 300 block of N. 9th Street out of the 22 buildings that are condemned, the city owns 14 of them.

Ms. Eichenwald stated that although I am a strong advocate of the PILOT program, I don't disagree with you about city owned property. When I came on city council, Dr. Karen Beck-Pooley was the head of the Redevelopment Authority and she was a gifted and dedicated employee for the city and for various reasons the administration decided to eliminate her position and without her strength and someone who is a strong executive director running the redevelopment authority that is exactly what happens. You have all of those properties just sitting there and not being turned over. When Dr. Beck-Pooley was in charge of it, she would come on an almost monthly basis and list all of the properties, show us what was being done and show how she turned them around and they went back onto the tax rolls.

Ms. Claudia Steckle, 423 N. 27th Street, stated that in 2005, city council filed a court appeal with Judge Walidge to have the city pension fund contract overturned and the judge dismissed council's suit stating only the mayor himself could make the appeal before the judge to contest the pension fund contract. Has the mayor ever done so, and if not, why not and has the statute of limitations passed for doing so. In each of the reports from the three consultants, PFM, PEL and Mr. Dreyfuss that reviewed them, the city administration brought in to overview the options of leasing our water and sewer systems and the consultants advised the city to investigate other options before settling on the privatization lease alternative. PEL (Pennsylvania Economy League) strongly urged Council to do a side by side analysis between the privatization lease alternative and the other options including the creation of a water authority including the privatization lease issue. What progress has been made by council or the city in doing this side by side analysis? Earlier this year, the mayor stated that if he didn't lease the water and sewer system he would have to raise residents' property taxes by an estimated 35 percent and I don't know if this is the same issue that was brought up before to cover the unfunded pension liability, a burden that he wasn't about to place on the citizens after some residents including myself said they would be agreeable to such a tax increase if it would keep the water/sewer system in the city's hands. The mayor's estimated tax increase figures on the same issue escalated to the first 50 to 100 percent than most recently 150 percent which I heard stated on Channel 69 news from him a couple of weeks ago. When figures as in this case are arbitrarily pulled from nowhere, it raises a red flag that the figures are not fact based which rightfully increases the citizenry skepticism that any serious examination of the cost surrounding the whole issue has been done to date. For Mayor Pawlowski and moving ahead with his plan to lease our water/sewer system and as well for council members who vote to approve the same would be a despicable, unconscionable act towards all citizens dependent on the city's water/sewer system if done by first honestly, thoroughly and intently researched all other options including what combination that would keep our water and sewer in city hands.

Mr. Guridy stated that one was during Mayor Afflerbach's administration and it was followed through during Mayor Pawlowski. They did go to court and was able to verse some of it and was able to get some savings. The number was about \$16 million in 20 years.

Mr. Dougherty stated that with the help of former judge Max Davidson, the administration went to court against the FOP and they were able to garner \$16 million in additional savings in 20 years.

Mr. Guridy stated that we are waiting for the bids to come in so that we could do a side by side comparison and we did actually sign the contract for PEL to do that comparison. We are in the process.

Mr. David Melman – SEIU leader responsible for the city employees in Allentown, stated that he is here tonight with some of our members and grievance chair, Mr. Klaus. I am here to reiterate some of the concerns we brought up two weeks ago that there is a major problem with the final request for proposal for leasing the city's water and sewer system issued last week by Mayor Pawlowski. Throughout this process, the mayor said repeatedly that no city worker will be harmed by the leasing of the water and sewer system. That has never been true and particular false given the new RFP. The original RFP which the city council approved and which the union relied as being something that the city council would hold up and the mayor would live up contained protections for our members, pay raises, benefits, pensions and other terms, conditions of employment and they were not as good as directly working for the city. They were far better than having no protections at all. However, the final RFP issued by the city with no consultation with us and no consultation with council removed the pension protections. It no longer requires the bidders to match the defined pension benefits currently provided to our members or even provide any pension benefits or retirement benefits whatsoever. It no longer caps the mandatory contributions that our members have to pay towards their retirement plans with the bidder. These changes make it such that no current worker would be seriously concerned about transferring over to any bidder, if there is a successful bidder. Now, we know that some of the bidder as they told some of our members as they toured the water and sewer works and even through the mayor point of view that this leasing process to succeed they expect a good many people to transfer over. With no pension guarantees very few or if not many people would transfer over from what our members are telling us from citizens in Allentown and other users of the water system should be very leery and very concerned about a system that if it does happen would be staffed entirely by new people that does not have the experience with the current water and sewer system. If you don't have any idea you have to know particular system. Every system has its quirks. In addition, the bidders were counting initially on the mayor assurances that people would transfer over. We learned the hard way that those assurances that we got from the mayor did not hold through and I think that the bidders are learning the hard way if there is a successful bidder and we hope not under these conditions that those assurance won't come true. The final RFP issued by the mayor only requires the bidders are provided with the same retirement plan that they provide to their other employees. So if the bidder, provides no retirement plan to their employees, guess what type of retirement plan that the bidder has to supply to workers in Allentown, the same nothing. In regards to the match, even if they could come in and say our plan is counts entirely of employees funding the entire with no contributions to the employer and this is the plan the current RFP as written would want the bidder to offer with a tremendous decrease that the workers would have. Ironically, this RFP language would reward the bidder to have the worst retirement plan and putting them at a competition disadvantage at the expense of the city's water and sewer workers. These last minutes changes with no notice whatsoever should make all of us wonder about the communications going on between the mayor, the bidders and should also make council be very concerned in our opinion about the lack of communication apparently between the mayor and council if that would be contained in the bid. The whole transparency, such if there ever was transparency in the process should be called into question. It is particularly ironic to solve a pension problem for other city workers that previous administrations have incurred that the mayor and council, if it is approved, try to solve this by gutting the pensions of current city workers that had nothing to do with this problem arising. We are asking City Council to be the backstop to these kinds of shenanigans and ultimately voting against privatizing such a vital service when the process is clouded with lies and misdirection.

Mr. Davis stated that when I heard about your initial questions, the mayor sent the letter and I have been in touch with you and we have the meeting that we are going to be setting up to hear your side and take your request. What you are saying tonight, is new to me. I did not hear that part and have to verify it. That is what our meeting is going to be about.

Mr. Melman stated that the mayor did send out letters to the city employees.

Mr. Guridy stated that Council got the letter by the way.

Mr. Melman stated that in bold language it says the concession lease agreement also mandates the winning bidder to provide the SEIU city employees joining their organizations retirement plan that must be substantial equivalent to the retirement benefits provided to other employees under the concessionaire employee retirement plan. It doesn't hide the fact and it looks like it sounds good when glanced over and then it says it requires a recognition of years of service from the existing PMRS plan. That is the law under PMRS. The years of service you have under PMRS are guaranteed under PMRS and is nothing that can be taken away. The mayor did send a letter out and it does not change anything we say. It is the pension benefits have been gutted and he practically boasts of it because he puts it in his letter and we are very disappointed.

Ms. Eichenwald stated thank you very much for coming here. What you have said to us has been enlightening and we definitely was told by the mayor that the city workers would be protected. Now seeing that this is not the case, it is of great concern. Thank you very much for presenting us this information.

Mr. Melman stated that they appreciate your concern.

Mr. William Hoffman, 1518 W. Pennsylvania Street, stated that he would like to read a Press Release from the [mcall/tweet/google/google.com](https://www.mcall.com/tweet/google/google.com) information mental in-load source dated May 11, 2028. Either place Allentown PA. The mayor announced today that she is exploring restructuring of a lease concession agreement that was put into place in 2013 noting the dramatic doubling and future quadrupling of the water and sewer rates have been a serious impediment to the development within the city. She has hired a bevy of consultants to restructure the contract with H2O North Korea. They are guaranteed enormous fees. While wondering why a former mayor and city council would have entered into such a cataclysmic and disruptive transaction, she made a commitment to fully disclosed and makes transparent all of the negotiations while wondering why former mayor and city council would have entered into such a cataclysmic and destruction transaction. She made a commitment to fully disclose and made transparent all of the negotiations and selects only the best solutions for the city. In a related press release, the Phantoms disclosed that they are considering relocating to Lower Macungie Township where the water and sewer fees are significantly lower and would result in a savings to them of millions of dollars annually. In an unrelated press release the city also announced that today was a day of celebration on the 80th birthday of its most favorite son and the ribbon cutting of American Parkway Bridge will be held tomorrow.

Mr. Dennis Pearson, 942 E. Tilghman Street, stated very good Bill, but I have another news release to announce and it was announced yesterday, ten years from now that they are going to put a housing development project on Kline's Island and which all those who made the wrong decision on Kline's Island will be asked to live there. One thing that should be said is that Allentown itself, most of its operation is in good shape, the pension is not. Therefore we have to direct our attack on the pensions, not other things. Therefore, if Allentown cannot itself do anything about the pension, we need a bailout from a newly established pension guarantee benefit association to handle all of our non-funded pensions in which as we learned from Bethlehem Steel pensions will be dropped according to two criterias: 1. The year of pension that they got pension which an established rate would be established by the guaranteed board and the age of the person of that pension in which you know individuals at the Bethlehem Steel who made have higher pensions when they went into the benefit guarantee benefit associations if they were at a lower age, their pensions were slashed.

Mr. John Halasovski, 7892 Sata Fast Road, Napoli stated that he was president of this union the last time they tried contracting out the water and sewer department and the city and the union analyzed it and kept it in-house. You should keep it in house and vote it down. What bothers me is what Dennis said and a lot of people said today about the city workers' pensions. I am sick and tired of being lumped in with police and fire. I was a city worker for 34 years. The city workers and the water department workers, the park workers, the city hall workers here, not police and not fire and not management. The city workers pension is funded good and I have a hard time believing that this council and this administration would throw 150 good workers out on the street because 80 – 90 cops and that is the problem is what is bankrupting this city. The other lady asked about the time limits about the suits. I did not hear an answer on that and I believe that should be addressed because these guys got pensions. I hate attacking other workers I believe we should all get pensions like that to be honest, but they got four years military credit as time worked. I served four years in the marine corp., 18 months in the warzone and you know what my pension credit was, 140th as an increment. That is it. If you look at that like that, 16 years they are working active work and they are retired. If they got a job as a cop or a firemen and I know it is mostly the cops. If they got a job on the police force at 22 and they are 38 and they can retire and collect a pension for how long. What I was getting at Paul Carper did not return my call a seemingly generous city worker pension of \$92,000. Thirty four years I had and if you tripled my pension it would not be \$92,000. I think you have to grab the bull by its horns because if these cops live 40 – 50 years you are going to have the same problem 30 – 40 years down the road. I think the city workers made more than enough concessions and they bit the bullet on the healthcare and they are saving the city \$9 million and I heard the cops gave up a holiday and I am not sure what the firemen have given up and every time a city worker make a concession management and the administration hire a new assistant in some other office making \$80,000 a year. That is where the problem is. That is it.

Mr. Alfonzo Todd, 431 Turner Street, stated that he doesn't envy council's position up there. I was out this weekend and the weekend before last talking to the people in the Allentown area and I actually knocked on doors and allowed them to speak. A lot of them may never come into this room and a lot of them are working right now, and a lot of them are basically trying to survive and do things that they need to do with their families and friends. One of the main things that kept coming up was the water/sewer lease situation. A lot of them have no clue and are concerned and not understanding why other alternatives don't seem to be looked at. They read the papers and see what is being done and the whole situation being led by Mr. Dan Poresky. They have asked me what do I think and to be honest with you, I have been investigating a lot of thing here when it came to Allentown and one thing I have to say that when it comes to being on city council and seeing that what you are doing and the people that I have spoke to for the last three or four weeks they definitely want to know as much as I want to know and one thing I found out that they never asked for you to stop, they just wanted you to have a voice and know that they voice is heard and they don't feel that right now. When you have a room full of people like you have in the last two – three meetings and you have elderly people being led out by police and have people crying, yelling and screaming you know there is definitely an issue. They are hoping that the city council takes into an account that they are definitely is something wrong here.

Mr. Guridy stated that everybody has an opportunity to speak just like you did. The Rules of Council he did not create them, none of us did. It is three minutes for an individual and five minutes for an organization and we abide by that.

Mr. Rich Fegley, 1002 S. Bradford Street, stated that as you know I am completely against a 50 year lease to handle a 20 year problem with the pensions. I have been reviewing the numbers more and more and I keep going back to the original report that PFM presented and put together by the mayor's administration. The question came up earlier that why it was mentioned that we would have to raise taxes by 35 percent which seemed extreme and somehow the number went up to 50 percent, but with the mayor it is going to

100 percent with Gary Strathearn and the mayor and 150 has been mentioned. In the original PFM report, the numbers exactly were, our current mil rate and mills are 17.54 and we would have to increase the mills by 7.53 and that was for \$12.5 million. That is 42.93 percent increase. Thirty five was low and 52 is too high. The 100 and the 150 that's merely a play on fear and a play on please stop asking if we could raise taxes to cover this problem, it's not a problem. We can't do that and we can't solve it that way, 100 or 150 percent taxes and anybody that is paying taxes is freaking out because they hear the mayor saying that. I would like that answered as well as the other person here would ask. At the end of the report and the conclusions, one of the things that it states at the end is that if the bid amount of the other bid perimeters do not conform the process stops. Basically, what this is saying is that if we if doing what the bid does not meet what PFM and the mayor presented the process should stop for the bidding. Now, that we gone and done the final RFP the numbers don't make anymore. Has council asked the PFM and the administration to redo that report? Is that going to be completely revised, redone with all the new numbers? We could have that done before even bids come back. One of those numbers were the \$4.5 million royalty payments from the bidder and obviously that royalty payment has been reduced from \$4.5 million to \$2.5 million and could go as low as \$500,000. That has been brought up and it is about \$40 million for five years and have we thought about that with the budget. Is there a reanalysis being done with the PFM report because the mayor and Gary Strathearn keep pointing everybody to the website, the information is there read it. Trust me, I spent hours and hours looking it over trying to find out what is missing that I am missing. What is it that I don't see and what is the information that the mayor and the administration have that I don't have and if what is on the website is what I am working with is not good anymore. It is not valid. It has to be redone. I want to know why it went from 30 to 50 to 100 to 150 and why are we not stopping this is we said that the bid perimeters did not work. Now, we definitely know it is not working.

Ms. Eichenwald stated that I asked those questions when we had out two to three private meetings which are allowed to do when there are negotiations. I am sure that it would not come as no surprise to you that those questions were never answered. There is no way that I am in a position to answer those. I have asked exactly those questions and many more. Another concern is that in Reading, PFM said don't privatize the water and in Allentown they said privatize the water. Just another example of questions that are asked and asked and I receive no answers.

Mr. Fegley asked about the 150 percent tax increase. Why the public and the media are publishing that.

Mr. Guridy stated that is what the mayor is saying.

Mr. Fegley asked is that correct? Shouldn't council correct him?

Mr. Guridy stated that he could say whatever he wants to say.

Mr. Fegley asked the mayor can say whatever he wants to say.

Mr. Guridy stated certainly and so can you. What I wanted to point out that there is a difference between the 7 mills and the tax percentage is that if it is 100 percent and we are talking about somebody paying \$300 of city taxes each year and it would be \$600 versus increasing the mills. You remember, the actual number is 1 mil for every 1,000.

Mr. Fegley asked Mr. Guridy if they mayor could tell people that it is 150 percent. He stated that 42.9 percent is the exact number.

Mr. Guridy stated that is the difference on that and in regards to if you said it is 35, 100, or 150 I don't think any of us can answer that question.

Mr. Fegley stated to Mr. Guridy he is basically saying that you don't have any idea. Just say you don't have any idea.

Mr. Guridy stated listen to me don't put words in my mouth. I said that I don't have any idea why he is saying that.

Mr. Fegley stated that he is here to tell them why he is saying that and how it is incorrect.

Mr. Guridy stated if you have the answer why are you asking those questions.

Mr. Fegley stated that he is asking why council is not speaking up and saying the mayor is incorrect when he said that taxes will go up 100 or 150 percent.

Mr. Guridy stated that I don't know where he gets his number from.

Mr. Fegley stated that council should ask. I don't understand why you are not asking. If you don't understand why the mayor is saying this then you don't understand the whole plan. I think that is part of the problem that no one really understands this plan.

Mr. Tom Hahn, 2016 Highland Street, stated that he is so happy to be the next one after Julio gets all rules up because I am one of his favorite target. To solve the problem I sent an email to all members of council so they could have time to answer the question so I am ready for you to answer the questions that were emailed to you a week ago. It is unfair to come up and ask a question that they have to ask the mayor or someone else from his staff to answer so I emailed the questions and now I am waiting to see. This is the only way that I know that they get what I am asking to study so that I could have the answer. Please answer the questions that I emailed you.

Mr. O'Connell stated that you talked about the rate increase. That was one of the questions.

Mr. Hahn stated that it has to do with the assets and it was one word in there, a secret word that only lawyers know.

Mr. O'Connell stated that inchoate. That means that if I start a job and I don't finish the job I still get paid for the job.

Mr. Hahn stated which one of the contractors are going to use that in a lawsuit against us who we don't use because in the contract it says they get paid for every minute and everything they do no matter what and it is in the contract.

Mr. O'Connell stated that would be determined obviously when we come to a final bid process.

Mr. Hahn asked why would a word like that be in. Who is reading this stuff? I think I am too young to supply wisdom. I got to get much older. No one is listening to the wisdom of the people that sit hours and hours and go through this thing and that word there which I could not pronounce; it must be someone on this staff that understands why they let that get in there. Why wasn't that removed. This is what we are begging you guys to understand if you read it word for word, line for line that is why we are struggling. We need help. You guys have to do what we are doing and have an open forum or a meeting so we can bring you these line items. It is driving us crazy.

Mr. O'Connell stated that he speaks for himself. I am going through the document and the second questions were about the rate increases. I did it for my household. Everyone has to do it for their household. Did you do it for your household? I did it for 12 years out. I pay about \$360 a year in water and sewer and with the first two years there is no increase. If my math is right, I took it out to 2013 – 2024 out 12 years and the baseline was \$360, basically \$1 a day for water and sewer services and there are only two right now, my wife and I. My kids are out of there. Projected that over 12 years, my water and sewer will go up \$100.78 in 12 years.

Mr. Hahn asked if that what the profit. You forgot the profit.

Mr. O'Connell stated that I am doing baseline. There are a lot of variables here. I am just doing baseline. I used and Mr. Fegley did have the exact 42.93, but I compared that to my real estate taxes, my real estate taxes a year for the city is \$1,200 and I took \$1,200 and I used 30 percent, 35 and 40, 45 and 50 and at 30 percent it goes up \$360, at 35 it goes up \$420, and at 40 it goes up \$480, at 45 it goes up \$540 and at 50 percent it goes up \$600. My real estate obviously is a once and done where the water and sewer is not.

Mr. Hahn stated that you have to take those figures and add the 8 percent profit, plus the money for the liquidation of the assets of the City of Allentown which was a leftover question from the last time I was here and there were two pays and who gets and when you start adding all that up the rates almost come equal the taxes.

Mr. O'Connell stated that he is not going to debate. I did the calculation in a fair way. Now, your previous question about the assets and I think the questions were answered about the vehicles and the equipment.

Mr. Hahn stated no, the answer was it is negotiable. Now, that means whatever I want as the leaser I get because that other word that I can't pronounce and never use in any of my vocabulary means that I am going to get what I want and I am going to get paid for every penny and at the end of the contract if I don't get it the city is liable.

Mr. O'Connell stated that it will be a final version.

Mr. Hahn stated that the final version cannot get better. There is no chance that it is going to get better because we already at 50 percent of the PowerPoint that the mayor put out. Fifty percent of the PowerPoint that the mayor went around the neighborhood telling everybody is not true anymore. This is what everybody is trying to say. Get him back and get him to come before you and give him the PowerPoint that is not a lie and not a misrepresented. We got a staff here that apparently got to get hustling. Time is running out. This is going to be pushed down our throats and will be no transparency and not going to be anything done. I worked for enough people and if I didn't do what they said then I got fired and did not get paid. If we had a problem here and for the people to say what the mayor says and can't speak for themselves then you guys have to be the buffer for the citizens' protection. He stated to Ray with our dialogue and what's going on, I don't think that you should be the only one answering the questions.

Ms. Eichenwald stated that she is going to answer the question to. It is not only a matter of the rate increases. But, I too did my homework and read about increases. The successful bidder also has the right to incur of the citizens of Allentown additional fees. American Water, for example, has an administrative fee every place they hold a contract so in addition to the rate increases as describe as Mr. O'Connell and I came up with similar figures to what he did. There are other avenues in which the citizens would have to pay. As was recently stated if any of the signatories bow out, let's say for example Lower Macungie or Whitehall, the rest of us, the citizens of Allentown would have to make up that lost and that is where the

danger is even more so than the rate increase. I am not minimizing the rate increases, but there are so many ways that the successful bidder can use to optimize their profits and that's where my concern lies.

Mr. Dan Mest, 900 Block of Jackson Street – president of St. Paul's Neighborhood Group, stated that back in 2008 we got a grant from Jennifer Mann's office to put electric in our Jackson Street Community Park. A year went by and it went up \$800 and we took \$800 out of our own community pocket to put electric in the park and it has taken now two years to get a bulb changed. This is the second summer that one of our bulbs has blown out. It is a little ridiculous that I have to call the parks department and I get no response so here I am. It is a slap in our face to our community that every time you drive by Ninth and Jackson to see one light working. I understand that we are going to be moving shortly up to get our new park being built and our storm water runoff in our old park isn't even in it because of the money crisis. That is the little part, the next part is two weeks ago I had a walkthrough to Juvenile Probation and the steps that go down through Union to Martin Luther King and we get Juvenile Probation to pick paper three times a year, there are whole steps missing. Where is the money to fix all of this stuff? I know a couple of years Jeanette, the parks department put in the budget to put the stone steps and it has been like that for three years and there are whole steps that are missing. There are more than the projects on Seventh and Hamilton. It is all over the city and I know we are tight with money. People like me shouldn't have to come up here and beg to get something done.

Mr. Guridy asked if he called the city. He asked Mr. Dougherty does he know about that. He asked to get Mr. Mest information and make sure that we put the light bulb on Ninth Street.

Mr. Mest stated that the city doesn't even have a sign that says Jackson Street Community Park.

Mr. Guridy stated that it will be taken care of Mr. Mest.

Mr. Dan Poresky, 824 N. Burke Street – Citizens for Allentown Water, stated that he heard that originally that the bids were to open tomorrow. I believe and heard that has been postponed, until when.

Mr. O'Connell stated March 28th.

Mr. Poresky asked where that will be done.

Mr. Guridy stated that his understanding that the bids will be open in Harrisburg.

Mr. Poresky asked who will be reviewing those bids to determine the winning bidder.

Mr. Guridy stated that a couple of people. PFM will be included, the attorney, our controller and Gerry from PEL.

Mr. Poresky asked will the bid be awarded to the highest bidder. Are there other considerations such as union considerations will not be a factor in awarding this bid. It will be going to the highest bidder. Is that correct?

Mr. Guridy stated that he is not sure how it is going to happen.

Ms. Eichenwald stated that is not her understanding. That's how the negotiations begin.

Mr. Poresky asked with the highest bidder only.

Ms. Eichenwald stated that this is what I am told the highest and the second highest, if they are close.

Mr. Guridy stated that it is called BAFO (Best and Final Offer). That is the process.

Ms. Eichenwald stated that if they are in a certain percentage of each other.

Ms. Koval stated that it is not a negotiation. It is the best and final offer and simply they would submit another bid as their best and final offer.

Mr. Poresky asked at what part of the process that each of the Councilmembers then will be reviewing the bid and RFP in detail to see the actual real cost to the public on the lines of what we were talking about. Each one of you have a vote and is equal to every vote and one vote can make the difference of whether we privatize it or not so every person who votes therefore should be well versed on the contract on the bid as the people here/the citizens are. Is that a commitment that you are all individually making or are you relegating to PEL. On what basis are you going to be doing the comparison to find out the real cost of this contract. We hear bits and pieces within the time period and individuals' picking out different things from the contract stating this is going to cost millions of dollars and this is going to cost a million dollars. Is each one of you required to go through this individually or are you going to committee. What is the process for determining how you vote?

Mr. Guridy stated that just like everyone has an opinion. Every councilmember will have an opinion. What we have done we have subcontractors PEL to do a Peer Review.

Mr. Poresky stated that some of you are going to trust their review in order to determine how you are going to vote.

Mr. Guridy stated that he did not say that. Every individual can review it individually.

Mr. Poresky stated that, but you are not required to.

Mr. Guridy stated that he can't mandate that. Everybody has a right to do their review as they please or as they see fit.

Mr. Poresky asked how much time before PEL has been given the go ahead to start reviewing the latest RFP and seeing how that compares. They did an analysis of the PFM report initially and now we have a new one. Have they reviewed that? When are they going to review it and how much time they have to review it?

Mr. Guridy asked Mike Hanlon can he tell them the scope of the work.

Mr. Hanlon stated that his understanding is the Scope of the Work is that PFM will redo the numbers with the different royalty fee and then the Pennsylvania Economy League will review those numbers and will do a Peer Review and those will be discussed by Council at a public meeting.

Mr. Poresky stated that the time difference between the time that the RFP bids come in and the time that you will have before you are asked to vote on it, is that time been set. On what PEL will have for the review once the bids come in and that you are going to have to do the PEL work. Do you have the timeframe?

Mr. Guridy stated that he did not set a timeframe personally. We have not set a time for council yet.

Mr. Poresky asked is that your decision.

Mr. Guridy stated that he doesn't have decisions to set meetings. However, I could be trouped as well by other councilmembers.

Mr. Poresky asked as far as the earliest upon which you have the earliest time you could be voting on this.

Mr. Guridy stated that I have to wait until we get the bids back.

Mr. Poresky asked are there resolutions that need to be passed or ordinances that need to be passed by you prior to voting to authorizing the contract.

Mr. Guridy stated that there will be an introduction of a resolution and the resolution that will be introduced will be voted in that moment when we vote on that we approve or not approve the contract.

Mr. Poresky stated nothing should be done at the meeting prior to that officially.

Mr. Guridy stated that we will have meetings, public meetings and discuss this in public and discuss what I foresee the presentation of the new contract and the bids in public. There will be people from PFM, Concessionaires (Winning Bidders), the administration and we will have another meeting with PEL and a question of how we are going to do the meeting with PEL.

Ms. Eichenwald stated to Mr. Poresky stated that it has to be infinitely clear by now after all of these months that we will be presented with a number and we raise our hands yes or no. It is almost impossible as diligent as I have tried to be and I am sure that everybody could attest that I tried to be diligent in this process. We will not be involved ultimately in the negotiations. Here you have a process where the seven decision makers are not involved intimately with the process. It is flawed from the very beginning until now. I am sure that my fellow council people will say that they had their questions answered. I have not had my questions answered to any degree of satisfaction. I am speaking for myself. I share the frustrations of the citizens that have come here tonight. This important decision in our hands and ultimately we are only going to say yes or no.

Mr. O'Connell stated that I don't know if it is a forgone conclusion that we won't be involved. I respect what Ms. Eichenwald has to say. I personally feel that I want to be involved as much as possible to make a thorough decision on what is going to affect the City of Allentown in the future. I personally will push to be involved as much as I can be involved with the numbers and the final version until I ultimately make and I want to be candid with you, the end of April. From March 28th until the last part of April we will be voting on and Mr. Guridy talked about some meetings in between. I want to give you that answer personally and it will probably be the last part of April. I want to be as involved as possible.

Mr. Poresky asked Mr. O'Connell have you been involved in the meeting those far.

Mr. O'Connell stated yes, sir.

Mr. Ernie Atiyeh, 451 W. Chew Street, stated that just to kind of go back a little bit back in September or the beginning of October I asked council to look into Allentown privatizing its own water and sewer authority. I understand from this afternoon and today PEL is looking into that. Give this some time. These are very big decisions. I don't think we could rush into this thing. There is a lot of questions that come up that we don't have answers for. Let's sit back and give it 30 days, 60 days, or 90 days to review this whole thing and get

the questions out and have a dialogue back and forth. Mr. president, you said that we are going to have public meetings about this before we start voting on it, is that correct. Are we still going to do that?

Mr. Guridy stated that is correct, sir.

5. Approval of Minutes: March 6, 2013

Minutes approved by Common Consent.

6. Old Business

Ms. Eichenwald stated that she has two issues from Old Business that has to do with our Solicitor. At the last council meeting I attempted to introduce to council by a suspension of the Rules which was defeated, a motion to put a petition on the ballot that would give the citizens of Allentown the right to vote of the water/sewer privatization. Today, sometime this afternoon I received a response and I don't know if you were involved in drafting the response. I just have a questions and I will just read the first paragraph so that everyone would know what I am talking about. The proposed ordinance is an improper delegation of legislative responsibility and it is contravention of the city Charter requirements for citizen participation through the initiative and referendum process. My question is that should I understand that at no time can the legislative branch of this city government which is city council introduce a referendum, vote on a referendum to be introduced.

Ms. Fruhwirth stated that as we saw with the decision with County Board of Elections, there is only certain procedural ways that a referendum can get on the ballot. The Home Rule Charter restricts those subject matters to Charter changes. As we understood the proposed ordinance it was to place in the hands of the voters an opportunity to approve or disapprove of what an ordinance that city council enacted. By that, that is not something that is authorized by strict construction that is afforded the ways to put on things on the ballot.

Ms. Eichenwald asked the original question, the 4,500 signature one did talk about a Charter change to the charter saying that anytime the city wanted to sell \$10 million plus in assets they would have to come to voter referendum. Since that is a change in the city Charter would that be allowed?

Ms. Fruhwirth stated that they opinion from the County Solicitor was that the Home Rule Charter of the City of Allentown did not mirror the step that needed to be taken under the Home Rule Charter and Optional Plans Law and for that reason the first initiative was not permitted to be valid.

Ms. Eichenwald stated that she understands that and that is not what she is asking. I am asking would a legislative body have a right to introduce that kind of referendum in the next election as long as it is a city change, it can be voted upon by city council.

Ms. Fruhwirth stated yes, there are two ways to have a Home Rule Charter change under the Optional Plans Law and that is by an ordinance introduced and passed by a legislative body as yourselves or by a petitioning body by the citizens. Those are the two ways to put a Charter change on the ballot.

Ms. Eichenwald stated that when there is a change, for example, the \$52 tax was enacted. Was that a Charter change?

Ms. Fruhwirth stated that she doesn't want to speak to it. My understanding it was a change to the Administrative Code. I would be happy to look into that for you.

Ms. Eichenwald stated that it was a Right to Know – RFK from Food and Water Watch in which they were denied to know the bidders. Is there a reason for that?

Ms. Fruhwirth stated yes, the reason it was afforded by the city in defense of the Right to Know RTK was that the Right to Know law specifically gives exemptions that prohibits disclosures and one of which is those proposals including financial information under two circumstances: first, before an award is given and second if there is an opening of all bids and they are all rejected. Anything prior to either of those two events are exempt from disclosure under a Right to Know law and the city based their denial of access to the Food and Water Watch on that basis which was upheld by the Office of Open Records in Harrisburg. I like to inform Council that there has been a second appeal to a subsequent request to the Food and Water Watch that we have seen in our office today and that situation is developing. That was the reason, Ms. Eichenwald that the access was denied.

Ms. Eichenwald stated that she accepts that and doesn't have a problem with that. The issue happened that we were original told that we could require that information once the RFP was out. It is the mixed message and we can't go back and change that, but often the problem is that we are stymied by these mixed messages. We will tell you as soon as the RFP is out, RFP is out, no we are not going to tell you.

Ms. Fruhwirth stated that what we attempt to do in our office is to fairly and hopefully accurately apply the law and that exemption was available and to protect the competition bidding process would have been a logical option for the city to exercise.

Mr. O'Connell stated that with all due respect the people that come weekly to the meetings and the Food and Water Watch people whether it be one council meeting ago or two council meeting ago Mr. Strathearn when he was kind of pushed about the bidders he announced all of the bidders. The information was received to the general public. Not debating the Right to Know law, the Right to Know law and the legalisms I don't get into that. All I am saying is that the information was presented to a person at courtesy of the floor and he said these are the bidders and announced all of the bidders.

Ms. Fruhwirth stated that the identity of the bidders was put on the website for all to view.

Mr. O'Connell stated that he is not going to get into the Right to Know Law. That is not my area.

Ms. Eichenwald stated that the problem arise when an investment house gathers together and we don't really know who they are. Who is really Allentown Forward? They were listed in the newspaper, but listing Allentown Forward in the newspaper is different than saying who are the investors behind it so that we as citizens would have an opportunity to know to whom our water is being entrusted. I understand that it is legal to do that, but will we as a city council be comfortable not knowing who is the ultimate possessor of our water.

7. Communications

Mr. Guridy stated that the city received a petitioner's petition related to a Clean Air Ordinance.

8. Committee Meetings

Budget and Finance: Chairperson Schweyer

The committee met this evening; the next meeting is scheduled for March 27th at 6:00 PM to review the monthly financials and items from tonight's agenda.

Public Safety: Chairperson Eichenwald

The committee will meet on April 3rd.

Community and Economic Development: Chairperson Davis

The Committee met on March 13th and discussed a transfer (transfer in CDBG funds from vacant positions for emergency demolitions, which the committee was ok with) and had a presentation on Envision Lehigh Valley by Holly Edinger, LVEDC – who explained the program/plan, noting the city is partnered in the project (specifically for a reindustrialization grant – focusing on S. 10th Street corridor). They are one year into a three year process. The next committee meeting is scheduled for April 10th, time to be determined.

Parks and Recreation: Chairperson Mota

The Committee met this evening; the next meeting is scheduled for April 17th.

Public Works: Chairperson O’Connell

The Committee met on March 13th; Fran reported on the water and sewer vacancies – noting the city is in austerity mode given our fiscal predicament – and looking at percentage of vacancies, Parks and Recreation is more acutely impacted, that department has more vacancies as a percentage of their workforce – the administration is looking at core services, it was noted there are more cross operations and working smarter. The committee also heard a presentation from Kirk Kaup on regional rail in the Lehigh Valley – Mr. Kaup get support from the top leadership and the Mayor’s in creating an Authority; the next meeting is scheduled for April 10th, time to be determined.

Human Resources, Administration and Appointments: Chairperson Glazier

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

Rules, Chambers, Intergovernmental Relations and Strategy: Chairperson Gurdy

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

Special Committee – Tax Exempt Properties – Chairperson Eichenwald

The Committee has not met since the last council meeting

OTHER COMMITTEE REPORTS

Mr. Gurdy stated that there is a meeting coming up on Tuesday for the Allentown Housing Authority and we are going to be discussing our five-year plan and other personnel issues.

Controller’s Report

None

Managing Director’s Report

Mr. Dougherty stated that he was not able to complete his plan presentation tonight and since that presentation remains incomplete, I will be ready for April.

9. APPOINTMENTS

Ethel Drayton-Craig	ANIZDA	01/01/2016
Elwood Elliot	Building Code Board of Appeals	11/04/2015
Randy Fey	Shade Tree Commission	01/01/2017
David Bausch	Health Board	01/08/2018

Mr. O’Connell stated that Randy does an outstanding job on the Shade Tree Commission and I thank you for your service and your continued service until 2017.

Mr. Dan Bosket, 730 Blue Herron Drive, stated that he has no reservation about Dr. Drayton-Craig being appointment to the ANIZDA board. What is the responsibility of the ANIZDA board?

Mr. Guridy stated that the responsibility of the ANIZDA board is attend and oversee anything that has to do with the ANIZDA which is 139 acres area and any vote that has to come through they would be the ones to take care of such as the arena and anything inside of that.

Mr. Bosket asked is the ANIZDA board allowed to levy fees against the developers.

Mr. Guridy stated that they have their own authority and their own rules. We basically only confirm appointments.

Ms. Eichenwald stated the answer is yes. There is precedence for that.

Mr. Guridy stated that there is precedence for that, but the question should be answer by them.

Mr. O'Connell stated that is an item for discussion at each and every meeting and an item still for discussion. That was brought up by a member of the ANIZDA board and they are still having discussion about that and the percentage.

Ms. Eichenwald stated that they feel that they have that right.

Resolution passed, 5 – 0

Mr. Randy Fey thanked City Council for the appointment and stated that he hopes the Shade Tree Commission can do another good job for the City of Allentown. One item as standing chairman right now that he would like to address if they do come to council he would like their support on a couple issues that might be coming up. One is tree vitalize which he provided information on. Lehigh County dismissed tree vitalize which means, it is money coming from the US Forest Service DCR – Federal Monies. The county used to control this money for this area and the City of Allentown in the time I was working for the city we put in about 700 – 800 trees in the City of Allentown and if you look at the benefit package for basically trees alone which is something that people don't really understand, but if you could look at it in your free time you will see quality of life can consist a lot better. What we are trying to do now is to get Allentown into the 21st Century because Philadelphia, Pittsburgh are averaging about \$4 million a year in benefits from trees that are planted on a yearly basis. This is entire tree issues of all the benefits that come with trees. All I am asking for if I come in front of you and say I need your help would you field the issues with a great deal of dignity.

Mr. Guridy stated that they certainly will.

10. ORDINANCES FOR FINAL PASSAGE: None

11. ORDINANCES FOR INTRODUCTION:

Bill 13 RACP Grant - Allentown Housing Authority

Referred to Budget and Finance

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of One Million Five Hundred Thousand (\$1,500,000) Dollars as a result of a grant from the Commonwealth of Pennsylvania to the City of Allentown in the form of a RACP pass through grant to the Allentown Housing Authority.

Bill 14 RACP Grant - Allentown School District

Referred to Budget and Finance

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of Three Million Seven Hundred and Fifty Thousand (\$3,750,000) Dollars as a result of a grant from the Commonwealth of

Pennsylvania to the City of Allentown in the form of a RACP pass through grant to the Allentown School District.

Bill 15 RACP Grant - Casa Guadalupe

Referred to Budget and Finance

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of Five Hundred Thousand (\$500,000) Dollars as a result of a grant from the Commonwealth of Pennsylvania to the City of Allentown in the form of a RACP pass through grant to Casa Guadalupe.

Bill 16 RACP Grant - Allentown Housing Authority

Referred to Budget and Finance

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of Seven Hundred Fifty Thousand (\$750,000) Dollars as a result of a grant from the Commonwealth of Pennsylvania to the City of Allentown in the form of a RACP pass through grant to the Allentown Housing Authority.

Bill 17 RACP Grant - Allentown Symphony Association

Referred to Budget and Finance

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of Five Hundred and Twenty-Five Thousand (\$525,000) Dollars as a result of a grant from the Commonwealth of Pennsylvania to the City of Allentown in the form of a RACP pass through grant to the Allentown Symphony Association.

Bill 18 RACP Grant - ECP Allentown - Alvin H Butz

Referred to Budget and Finance

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of Three Million (\$3,000,000) Dollars as a result of a grant from the Commonwealth of Pennsylvania to the City of Allentown in the form of a RACP pass through grant to EPC Allentown/Alvin H. Butz Inc.

12. CONSENT AGENDA:

CA-1 HARB

Certificates of Appropriateness for properties at 920 W Liberty St, 220 N 9th St and 1643 W Turner Street

Resolution passed, 5 – 0

13. RESOLUTIONS ON SECOND READING:

R8 Da Vinci Center RCAP

Authorizes the Release of funding of the Redevelopment Assistance Capital Grant Funding for the improvements of the Da Vinci Science Center

Mr. Glazier stated that the Budget and Finance Committee met on this today and was recommended favorably.

Ms. Eichenwald asked does it matter that the amount is not written down here.

Mr. Guridy asked what was the amount.

Mr. O'Connell stated \$500,000.

Ms. Lauren Giguere stated that this is an RACP grant and this Resolution is for the submission of the application that is required by the governing body for the City of Allentown. They are making renovations and the Finance Director is here tonight if you want her to say a few words about the project, but the city is responsible for putting through the paperwork and overseeing the project and we are glad to do so.

Mr. Guridy stated that this is a pass-through grant, but you do a lot of work on that and I truly appreciate that.

Ms. MaryAnn Przekurat stated that she is the director of finance for the Da Vinci Science Center. The Da Vinci Science Center has continued to grow in a number of people that it serves. Last fiscal year it was about 95,000 and now we are up to 120,000 for this fiscal year. These funds will be used to help with the internal expansion of the center. Our plans include to development additional exhibit floor space so that we could continue to bring larger educational exhibits such as the Bodies Revealed Exhibit to the City of Allentown and addition to creating additional exhibits and in addition to the exhibits space we are renovating our theatre, our cafés to help better serve the events that we hosts there and the meetings. We also creating an additional storage space and we are paving part of our parking lot to add additional parking spaces. We very much appreciate the city's support on this.

Mr. Guridy stated that he is glad that they are expanding the parking lot because it is always hard to find parking there at times when you have a lot of people.

Ms. Przekurat stated yes, it's one of those problems that it is great that we need the additional parking spaces.

Mr. O'Connell stated that the Da Vince Center is a wonderful place and your Bodies Revealed was excellent. My question is there a connection between the Da Vinci Center and the Allentown School District. I know that at the Allentown School District that every third grader or fourth grader goes visit the Art Museum and it is supplemented with funds. Is there partnership with the Allentown School District that kids go out there for free?

Ms. Przekurat stated that they have multiple partnerships with the Allentown School District. Not only that we have students that come into the center and some of those programs are free and sometimes they are not. It depends on what kind of funding was done. In addition, we also do the professional development for the Allentown School District teachers in the areas of science and education.

Mr. O'Connell stated that he is interested in kids and your Bodies Revealed was excellent exhibit. What target age would you put that at.

Ms. Przekurat stated for the Bodies Revealed it was more for upper middle school and high school. It was actually a sighting for those group of kids because usually the center targets the elementary school and the middle school. This was the first time we had a program and the amount of high school kids that came through there. We had kids from the Allentown School District, Parkland, East Penn, Easton and west passed Harrisburg, down toward Philadelphia and up north. They were coming in all over for the first time.

Mr. O'Connell stated that he understands that, but he is interested in the Allentown kids. Wouldn't it have been wonderful for every eighth grader in the Allentown School District to see that exhibit? I am thinking when you are talking about partnerships with the Da Vinci Center and the Art Museum that is what I am looking at a partnership where they are not just for the people that can afford to go, but I think that exhibit for every eighth grader which would have approximately be 800 – 900. I don't know if you can handle that. The exhibit was unbelievable and for every eighth grader in Allentown to see that.

Ms. Przekurat stated that they do have an opportunity and have a program where teachers and schools could write for us to fund up to \$1,200 for them to visit the center or for us to go into their classrooms. We funded every project that we received a request from about three months ago.

Mr. O'Connell stated that the Da Vinci Center is on Cedar Crest College property, who owns it.

Ms. Przekurat stated that the building is owned by us and the land we rent from Cedar Crest.

Mr. O'Connell thanked Ms. Przekurat for her work and stated that he appreciates it.

Mr. Glazier stated that the Da Vinci Center is a good partner with the Allentown School District Foundation and it is working to not only provide professional development for teachers, but they would be a partner in the foundation that is hope to be a Science Fair program in the Fall that would hopefully if the Foundation gets all the funding in line for both high schools and the middle schools and hopefully for elementary school. There is also a Spring science project at Trexler. You can certainly take the students to the Da Vinci Center, but also the Da Vinci Center comes into our school as well.

Resolution passed, 5 - 0

14. RESOLUTIONS ON FIRST READING:

R 9 Sacred Heart Hospital Improvement

Authorizes Submission of an RACP Grant for the Improvements to Sacred Heart Hospital

Mr. Glazier stated that the Community and Economic Development Committee reviewed R 9 and recommended it favorably.

Resolution passed, 5 – 0

15. NEW BUSINESS

16. GOOD AND WELFARE

17. ADJOURNED: 8:36 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.