

OCTOBER 3, 2011 COUNCIL MEETING MINUTES

The October 3, 2011 Council Meeting was called to order at 7:43 P.M. in Council Chambers at the Municipal Building. Mayor Anthony DeLuca presiding.

Mayor DeLuca – we are going to have a brief Executive Session on Contracts and then we will be right back.

APPROVAL OF AGENDA ITEMS

Mayor DeLuca – first we have to add two items to the Agenda. Under Resolutions we are going to add Resolution No. 2011-059 – Inter-Governmental Agreement with Wilkins Township and we are going to add Resolution No. 2011-060 – Contribution Agreement with Penn Dot. The rest of the Agenda will stand as presented.

PLEDGE OF ALLEGIANCE

All stood for the Pledge of Allegiance.

ROLL CALL

Mrs. Kuhn
Mr. Palumbo
Mr. Underwood
Mayor DeLuca
Dr. Kincaid

Also present were Manager Rayan, Finance Director Schrecengost, Planning Director Davidson, Library Director Ward, Solicitor Brimmeier and Manager's Secretary Sorce.

PUBLIC HEARING – 2011 – 2016 CAPITAL PROGRAM

Mayor DeLuca – any comments from the audience.

Mickey O'Connor – 1095 Maple Avenue – I noticed under Water Pollution Control they are not doing anything next year at all? Is there no money or are they funding it out of the sewer fund? Just a question. Is it a change, it will be the first time in a long time you didn't put any money into Water Pollution under Capital.

Moe Rayan – it is not coming out of the Capital, it is being funded through the Operating Budget.

Mickey O'Connor – o.k. thank you. That will be a budget increase then when we see it next month.

Ed Zulo – 113 Elizabeth Drive – I was just wondering I didn't see any money in the Budget for Storm Water and I was thinking that the Rodi Road corridor has a lot of storm water problems because of the culverts and all that, a lot of the culverts are on private land and I was just wondering if Penn Hills would cooperate with the public/private relationship to try and get some money to improve the drainage on Rodi Road? Secondly, I would like to compliment the Mayor and Council and the Water Department for getting an award for being the best water and sewer agency in the State. I think I saw that on the web-site. So that is a great turn-around from where you guys were from when you took over to now one of the best in the State. So, I just wanted to compliment you guys for that.

Mrs. Kuhn & Mayor DeLuca – thanks Ed.

Mayor DeLuca – Ed on the Storm Water I know with Wilkins Township the army core of engineers is studying the whole creek because I know that Wilkins has flooding from that same creek and hopefully we come up with solutions.

Howard Davidson- if I could add to Ed's comment, he makes a good point. Moe and I were talking about this the other day. For example occasionally a grant program might come up that is a matching grant. We were thinking ourselves well maybe it would make a lot of sense to maybe hire Gateway to do a study for storm water on Rodi Road that would lead to an application for larger fund either through CITF or some other agency and we don't have the match. So, I think Ed Zulo's point could pay even though he didn't spell that out in that detail perhaps a small amount of money under storm sewer line item might be a useful addition to this Capital Program. Do you understand what I am saying? That could come into play as well for Recreation. A good example was your last Council Meeting we authorized a Resolution to submit for CITF Money for the Multi-Purpose Center Recreation for the playground. The only reason why we put that application together that was the only one we had a match for. So if we could maybe consider putting it either in the Operating Budget or the Capital Budget for some matching money even it is only designated for that purpose to be used as a match to apply for additional money. In this case what Ed is lobbying for is some storm sewer improvements because of the flooding problems on Rodi Road.

Ed Zulo – One more comment I just would like to make is a few weeks ago I talked about welcoming in the Marcellus Shale developers instead of banning them. Well you know the Governor said today that they are going to have an impact fee on the County level where they would cut in the Municipalities on a certain percentage on that and I think the total per well is about \$140,000 so that money is to be spent for things like storm water roads things that are impacted by drilling so maybe in the months to come we may be able to get some of this money from our cut from this Marcellus Shale thing and the underlying Utica Shale so hopefully there will be some money coming our way that way. People who have banned the drilling like Pittsburgh and I think Swissvale just banned it and Wilksburg they won't be able to get any of the money so just stay open to it and then we will get our cut out of the deal. Thank you.

Mrs. Kuhn – Mr. Mayor just a comment on what Ed was saying. I heard the Governor I think he just did it this afternoon it was on the evening news and if I am not mistaken he did say that money would go to those communities that had the wells in them so I don't think that we were too far off Mr. Mayor with \$200,000.

Moe Rayan – Mr. Mayor just to follow up on Ed talking about Rodi Road. Ed we haven't forgotten about Rodi Road and the problems that we have down there. Last meeting we had with Mr. Dan Cessna, the District Engineer for Penn Dot as a matter of fact he is present here at the meeting we asked that he send some of his staff to meet with us and they came out and we met Howard and myself to look at what type of improvement could be done on that road if Penn Dot has any jurisdictions to assist also the discussion as Howard mentioned we talked about putting some money in the Operating Budget or looking for some Capital Money. It is not at the end of the road right now we are still looking at the Capital Budget it is not done so don't be alarmed yet but if there is an opportunity to put some money in there we are going to be doing that. I spoke with Mayor and Council with regards to that. We had a lengthy discussion about being prepared and having provisions in place in the event there is a flood for the time being so that corridor is not forgotten at this point and as the Mayor mentioned last year we have a meeting with Wilkins and other folks that came out and we are hoping for, it is going to need a big force to get in there and repair that creek. So it is not a small project it is not let's go ahead and start the work tomorrow it is huge so step by step hopefully some day we can get it corrected and help those folks along that corridor.

Mayor DeLuca – we will close this Public Hearing and this will come up again in November.

APPROVAL OF MINUTES

Mr. Underwood made a motion to approve the Minutes of September 19, 2011.

Dr. Kincaid seconded the motion.

There being no further discussion the motion was approved by a 5-0 vote.

EXPEDITURES

Dr. Kincaid made a motion to approve the Master Expenditures Summary dated October 3, 2011 – Journal Vouchers – 0 - \$0.00, C.D. Requisitions – 6 - \$74,620.55, EECBG Requisitions – 0 - \$0.00, Checks Numbering 18992 – 19133 - \$1,319,508.51 making a grand total of \$1,394,129.06.

Mr. Underwood seconded the motion.

Mickey O' Connor – 1095 Maple Avenue – Page 5, Check No. 19005 EIT Collector, same comments is going to be about Check No. 19002 City of Pittsburgh EIT.

I know you never assume but can I assume that these are just for our Police Officers that live outside of Penn Hills and the other residency issues have been resolved?

Moe Rayan – the Police Officers they have a five mile radius.

Mickey O'Connor – I understand that I am assuming that these are just for the Police Officers.

Moe Rayan – yes.

Mickey O'Connor – no other employees live outside of Penn Hills.

Moe Rayan – No, there are certain employees that obtained waivers years ago to live outside the Municipality and there are two bargaining units that have not been resolved yet.

Mickey O'Connor – still an open issue then?

Moe Rayan – still an open issue, yes.

Mickey O'Connor – thank you.

Mrs. Kuhn abstained from Check No. 19083 to Don Kuhn Auto Body for Garage Rental in the amount of \$600.00, Check No. 19082 to Don Kuhn Auto Body for Towing in the amount of \$150.00 and Check No. 19127 to Trumbull Industries in the amount of \$2,100.00, yes to all others.

There being no further discussion the motion was approved by a 5-0 vote.

RESOLUTIONS

Mr. Underwood made a motion to approve **Resolution No. 2011-058** awarding a Contract to Elk Air Conditioning, Inc. for the Senior Center ACT Unit Replacement in the total amount of \$9,710.00.

Dr. Kincaid seconded the motion.

There being no further discussion the motion was approved by a 5-0 vote.

Mrs. Kuhn made a motion to adopt **Resolution No. 2011-059** motion to enter into the Proposal Inter-Governmental Cooperation Agreement with Wilkins Township regarding the ownership and maintenance of the storm water management system for Maple Lane and Rodi Road improvements subject to the review, comment and any revisions by the Municipality, solicitor and subject to the subsequent approval of any said revisions by Mayor and Council. This Motion and Resolution shall be null and void should Wilkins Township not agree to any of the Municipalities requested revisions.

Mr. Underwood seconded the motion.

Mickey O'Connor, 1095 Maple Avenue - 59 and 60 will those Resolutions be available to the Public being that we do not have copies of them and you are acting on them?

Mayor DeLuca – yes once we get the revisions worked out.

Mickey O'Connor – so they will be available in your office Moe?

Moe Rayan – yes.

There being no further discussion the motion was approved by a 5-0 vote.

Mrs. Kuhn made a motion to accept **Resolution 2011-060** Contribution Agreement with Penn Dot motion to enter into the Contribution Agreement with Penn Dot subject to the removal of paragraph #8 and subject to the successful resolution of the revisions to the Inter-Governmental Cooperation Contract with Wilkins-Township.

Dr. Kincaid seconded the motion.

There being no further discussion the motion was approved by a 5-0 vote.

ORDINANCES

Mrs. Kuhn made a motion to adopt **Ordinance No. 2011-2536** an Ordinance of the Municipality of Penn Hills, Allegheny County, Pennsylvania amending Chapter 860 and Chapter 862, Earned Income Tax, of the Codified Ordinance to reflect the changes of Act 32 effective January 1, 2012.

Mr. Underwood seconded the motion.

Mickey O'Connor – 1095 Maple Avenue - this is in response to Act 32 bringing everything up to date and all that kind of stuff?

Mayor DeLuca – yes.

Mickey O'Connor – now they define non-resident domicile in residency – the state has.

Mayor DeLuca – it is defined in here.

Mickey O'Connor – the state has defined it for you now. That makes it a little easier to do what you are doing. The only other question I have is a non-resident tax, tax rate of 1% shall be levied on all earned income and net profits earned by

nonresidents for work done or services performed or rendered in the Municipality of Penn Hills. Does that mean that our employees that live outside of the Municipality are subject to a 1% tax now?

Mayor DeLuca – no.

Moe Rayan – no.

Mickey O'Connor – I just wondered it says non-residence get 1%.

Ed Schrecengost – that is if they are not taxed in where they live, then we have the right to get up to 1%. If they are only being charged ½% where they live we are a loud to charge 1/2%.

Mickey O'Connor – we are going to keep up with that in case somebody decides to move out to a farm and don't have any taxes.

Ed – yes.

Mickey O'Connor – thank you.

Ms. Kuhn – Just one question, I know we have gone over this with this coming into being but I just want to know to what extent will this change effect our income revenue. I don't know if I should ask Ed or the Manager on this in delay and receiving payment is that going to be incorporated I am assuming with our Budget or has that already been taken care of?

Moe Rayan – well there is twofold to this question. To answer the first one as far as what we were told from the meetings that we attended with the EIT folks and the new tax collector we were advised to expect at least a 20% decline in the collection for the first and second quarters. So we are hoping that is just a phase that we are going to go through and we get back up to our normal collection. To prepare for that we are looking at the Budget right now and contemplating which way we are going to go in terms of budgeting for the revenues coming in from the EIT so once we get more conformation from the tax collection which is Keystone and get the feel as which way we are going to go and then we will prepare the Budget accordingly. We are hoping to recover at least, bottom line we are hoping it is just a lie and things will be fine but we are going to prepare for it with the worst case scenario.

Mrs. Kuhn – I don't mean to open up a can of worms but it is just that it is confusing to me so I was just asking for my own information. Now when you say that there is a possibility that we would have a 20% decline in the first and second quarter is that going to be recouped in the third and fourth quarter.

Mr. Rayan – that is what we were told. From their experience when they have done similar moves like this and consolidate collection they have experienced a 20%

decline for the first and second quarter so we are hoping to recover and recoup the stuff that we have missed. Their thoughts are it is something new to the businesses and it might cause a problem and they are just giving us a heads up for that.

Mrs. Kuhn – you answered my question Moe. Because of the fact that I was wondering and people were asking me when they hear and the word out on the street isn't always accurate so the question is so does that mean that Penn Hills are we going to not be receiving that and I said it is my understanding that it is just going to be delayed in coming but at the bottom line at the end of the year it should all be back in. It is just that we won't be getting it as fast as we usually do for the first six months perhaps. I just wanted to make sure what I was stating to the Public is the correct information.

Moe Rayan – that is correct that is the information that we have from our collector.

Mayor DeLuca – Do we have our tax rate on to our web-site, the reason I ask I just got a call from a business they were looking for our tax rate can we get that on our web-site.

Ed – Jack Day set that up on web-site.

Moe – we will check on that.

Mayor DeLuca – check on that because they said they couldn't find it.

There being no further discussion the motion was approved by a 5-0 vote.

Mayor DeLuca – We are now going to go into an Executive Session to discuss contracts and personnel.

ADJOURNMENT

Mayor DeLuca entertained motion to adjourn.

Dr. Kincaid made a motion to adjourn.

Mr. Underwood seconded the motion.

Meeting adjourned at 8:39 P.M.

MAUREEN M. SORCE
MANAGER'S SECRETARY

DATE

