

## **JUNE 20, 2011 COUNCIL MEETING MINUTES**

The June 20, 2011 Council Meeting was called to order at 7:35 P.M. in Council Chambers at the Municipal Building. Mayor Anthony DeLuca presiding.

### **APPROVAL OF AGENDA ITEMS**

Mayor DeLuca – Good evening, we will call this meeting to order. The Agenda will stand as presented. After we have the Pledge of Allegiance can we please have a moment of silence for Mr. Adams. Will you please stand for the Pledge of Allegiance.

### **PLEDGE OF ALLEGIANCE**

Council and the audience stood for the pledge of Allegiance.

### **ROLL CALL**

**Present:** Dr. Kincaid  
Mrs. Kuhn  
Mr. Palumbo  
Mr. Underwood  
Mayor DeLuca

Also present were Planning Director Davidson, Controller Futules, Manager's Secretary Sorce, Finance Director Schrecengost and Solicitor's Office Sweeney.

Mayor DeLuca – First we have a presentation for Energy Savers, Inc.

Hi, thank you my name is Natalie Abel and I am with Energy Savers and Howard Davidson had asked me to come tonight to talk to you about my company. It is a family owned business that my Dad started back in 1982 so we have been around about 30 years. We started with building control systems and then evolved into the deregulation as it was passed through Pennsylvania and as of the end of 2010 deregulation has completely evolved through electricity and natural gas throughout the State of Pennsylvania. Energy Savers, what we do, we help broker with many clients and find the supplier to match their needs and what that does is help you save money on utility costs. It is really just like a bottom line, you save money by going with a different supplier on your supply and transmission portion of your bill. I worked with Howard over the last couple of weeks and I did some analyzation on your bills and what you currently have and the packet that I put in front of you includes some information about my company but it is also a preliminary proposal of what I came up with after reviewing your accounts and what we see overall is about a savings of close to \$76,000 a year that we can save you with suppliers that we have found on our own. Some of your current electricity bills are with some suppliers that are expired so you are paying some very high rates. Some are with the utility but even with the pricing that I was able to get which is in the proposal of 6.4 cents that is a very low price for a commercial

account. That is a fixed rate and what that means is that it will not increase over the term of the contract and this term right here is a 30 month contract and you are not subject to any utility increases so they usually increase every six months or so and it stays constant and fixed so you would have budget stability and you pretty much would know what you are going to pay over the 30 months. We help at renewal time so there is no shocker it doesn't go to market base pricing or to some pretty high pricing which I am seeing now on some of your bills at like 11 – 12 cents per kilo watt hr. We would jump in at about six months ahead of time and help to renew that contract either with the same supplier or with another supplier if we could get you better rates. The rate also that I am presenting to you tonight, it is a daily rate so what I would do is get that refreshed by the supplier whenever you would be ready or interested in locking in a contract to save the money on your utilities. Actually the pricing here is 6.4 that was Friday's pricing, today was about 6.3 so I will get it refreshed on a daily basis just to see where we are at. It also is an all inclusive rate, so if you go out and you are shopping around that 6.4 or the 6.3 which came in today for the pricing includes GRT, (Gross Receipts Tax) which is a tax in the commodity portion that is included in that rate, ancillary services such as capacity charges, congestion, and balancing. It is all inclusive so you won't be surprised by some additional line items on your bill. It is also a consolidated bill so you would still receive your bill from Duquesne Light - you would just receive your savings from another supplier and it would just show it right there on the bill. Also with Energy Savers we also do natural gas. I took a look at some of your gas accounts and it looks like you just renewed with someone through 2015 so we will just keep that on our market watch program and when the time comes for renewal in 2015 we will contact you and hopefully be able to provide you a competitive bid at that time. There is another program that we offer and it is called Demand Response and you don't hear a lot about it and you may not even know what it is. Demand Response actually provides you payments back for being in the program. It is a voluntary program; it basically is a green energy program where you would shut down your load on certain facilities if the PJM grid gets stressed. The program is 100% voluntary. If your facilities qualify and I believe there were two that I was looking at, I believe you have a sanitation and there was one other one that qualified. If they have back-up generation it is really a no brainer, you shut down the facility for one hour per year to pass a test, you can turn your generator on and usually payments are around \$10,000 back to you. Just in rebates just for being in the program. We have a lot of clients on the program in the Pittsburgh area, none of which have needed to shut down. We have some convents, they just shut down for one hour for that one hour test a year it is usually in August or September between 4 and 5 o'clock and they pass a test and get a rebate check, it is about a quarterly payment that we would pay you for being in the program. What we would do with that program to make sure the facility would qualify I would send one of my consultants out to survey the property, take a look of how much load it can shed, if it can shed 100 kw then you would qualify. Again if there is back up generation it makes it a lot easier to design a curtailment program but we would do all of that for you. Also we offer a residential program. We pretty much offer everything we can on the energy side to make an all inclusive package. On the residential side, we have done many other Municipalities on Duquesne Light and we are offering a residential home electricity savings program on Duquesne Light - currently 7.17 cents is

our rate. Even if you go out to the PA Power Switch the 7.17 cents we are offering is the lowest rate that is available on Duquesne Light. We don't advertise except through Municipalities so if you out to Duquesne Light or Pa Power Switch it is not going to be there. Our supplier is offering it to us at a private offering and we are only offering it to Municipalities. I attached a letter in the packet that other Municipalities have sent out and what we would do is put your logo on the letterhead and if we would do the mailing for you we would pay for the mailing if you would just give us your address list. We would send the letter out to your residents and it really saves them close to 23% off of what they are currently paying to Duquesne Light. There is also an enrollment form that is on the letter so they can manually send that in to us and we would enroll them or our website does have the enrollment on line if they would like to go online to enroll.

So that is really it for my presentation.

Howard Davidson – this is new to me too. I would just like to make sure that I understand that Energy Savers, Inc. you would be paid for your services by TriEagle?  
Natalie Abel – that is correct. There is actually no paper work between us so you would never see an agreement from Energy Savers and you would never pay Energy Savers a consulting fee. Howard Davidson – the typical agreement with Tri-Eagle would be that we would agree to sign up for them for service for a 24 month period typically.  
Natalie Abel – or the best rate I got you today was the 30 month but we can certainly take a look at that. They offer one year, two year, and three years and then they offer the 30 month rate. Sometimes there is a sweet spot. Howard Davidson – depending what is going on in the industry, it could be somebody else other than Tri-Eagle?  
Natalie Abel – there is. I didn't put that in there. I did look at a couple other suppliers for you and there is a reason that I choose Tri-Eagle for you and not every Municipality gets the same supplier. Tri-Eagle takes the unmetered accounts. No other suppliers take unmetered accounts and you did have a lot of unmetered accounts which they took and their pricing also came back very competitive and that is why I choose Tri-Eagle.  
Howard Davidson – can you give me an example of how you helped HamptonTownship?  
Natalie Abel – Yes actually pretty much the same process. We took their bills and we took a look at what they had, they also had a sanitation authority that is on the Demand Response Program that I am talking about. Their letter is also in your packet I believe they get \$14,000 a year back for being on the program and we also saved them close to I believe it was \$75,000 a year on their electricity again based on their term. We were a little bit unique with them. We actually used three different suppliers for their accounts. It was how the pricing came back and some of their accounts do not have consolidated billing and they are getting two different billings from a company called Liberty Power but that was their smaller accounts.  
Howard Davidson – did you send their letters to homeowners in Hampton?  
Natalie Abel – yes, we actually did send homeowners the letter. We had over 3,000 sign-ups for residents in Hampton. We also do ten different Municipalities: Carnegie sent it out, Whitehall put it in their newsletter, I am working with Crafton tomorrow, Sharpsburg, Etna, Millvale and Fox Chapel they all sent the letter out as well. And we also did all of their township buildings as well. I also put a letter of references in there for you. If you want any other

Municipalities, please let me know. Those are the three that I work closely with but we have done many others.

Mrs. Kuhn – just briefly going over the letter that you had sent us you are stating that the average kilowatt usage if you would use Duquesne Light or Dominion is 8.16 cents and if we would go with the Energy Saver it would go down to 6.46 cents. Now that is based on 30 months because of the fact that even though there is a program one year, two year, the longer you take the contract then the more discounted price you would receive, if that correct? Natalie Abel – that is correct. Mrs. Kuhn – now you did make a mention that you looked into our accounts and you see that some of our costs are high because some of the suppliers have gone out of business. How would that transfer if we would say perhaps go with Energy Savers, if they would go out of business, then is our contract void? Natalie Abel – If Tri-Eagle would go out of business? Mrs. Kuhn - Because of the fact that you had stated that some of the suppliers that we had tried in the past were out of business. Natalie Abel – They are not out of business, what happened is your contracts are expired and what happens with that it goes to a market base pricing so you are paying a little bit higher than what you would if you were just on tariff. But if they would go out of business, to answer that question, and we have had it happen not recently about ten years ago on the gas side we had one of our gas suppliers go out of business so you have the option of going back to the utility, so just going right back to Duquesne Light Tariff or we would immediately just find you another supplier to put you with. Mrs. Kuhn - O.K., so if by chance we would sign up with Energy Savers and for whatever reason they are no longer in existence for the 30 months or whatever the time period then the contract we had would be void and we would have the option of either trying to find another saving company or just going back to Duquesne Light. Now I am not familiar with the electric but I know when you go into the savings with Equitable Gas you are still using their pipeline. Natalie Abel – that is correct. Mrs. Kuhn – are we still using the wire system or whatever with Duquesne Light? Natalie Abel - Actually what you will see on your bill, it is a consolidated bill so you will still get your bill from Duquesne Light, you will still have a distribution charge from Duquesne Light that is for the wires, that is the maintenance that you will pay for the wires so they are still your utility if you have a power outage or any issue you are going to call Duquesne Light cause they are going to be your distributor they deliver that power to you. You are only buying the commodity portion from someone else. Mrs. Kuhn – so I guess my question would be is with the bill that we would be receiving from Duquesne Light the charge that they have for their lines is that incorporated in your 6.46. Natalie Abel – No that is additional. That and there is usually a customer charge or a meter charge that you will see on the bill. What this rate does is it takes everything of the supply and transmission portion. Mrs. Kuhn – So when you are quoting the price that we would be saving, say \$75,000 is that included or do we have to deduct the cost that we would be paying Duquesne Light for the service that they have so in essence we wouldn't really be saving the \$75,000. Is that correct? Natalie Abel – You are going to be saving the \$76,000 is annual on the supply and transmission portion so I can't include the distribution portion, that is separate that is standard from Duquesne Light. Mrs. Kuhn – So Duquesne Light if we would stay with them that mileage of 8.16 and then still charge us the use of their wires

or is that included in the 8.16. Natalie Abel – Oh no that is separate as well, this is only supply and transmission. Mrs. Kuhn – So if we would stay with Duquesne Light the 8.16 we also would be charged for the use of their lines. Natalie Abel – that is true you are being charged for that today. How I calculated the 8.16 was I took a weighted average of all of your price to compares from your bill and went through each one and calculated each one, some of your accounts are 15 cents, some of them are at 6.09 cents, some of them are 11 cents and so forth, so that is how I came with the weighted average of 8.16 just for the sake of this discussion. Mrs. Kuhn - So we still would be saving because of the fact even though if we would stay with Duquesne Light or Dominion whatever one the Municipality may be with, the 8.16 is the charge but the use of their lines is not incorporated in that amount. Natalie Abel – that is correct, it is not included. Mrs. Kuhn – thank you.

Mayor DeLuca – let me ask you, you said when you were looking over our accounts, we had different suppliers for energy and some of those contracts expired. Natalie Abel – Yes. There were four or five accounts with Dominion Energy Solutions that looked like they expired because they were pretty high rates and the rest were with Duquesne. Mayor DeLuca – did your company check to see if they were expired? Or is that a price we got locked into. Natalie Abel – I don't think it is a locked into price, I think it is an expired price because usually a locked into price would be around the 6.4 I am showing you. 11 cents would be extremely high that is a market base price, it looks like it is coming off the market which also means you are paying a different price every month, it is probably variable because it is going off the market. Howard Davidson – and there was a limit on how I could help her out. I wasn't involved in any energy company accounts in the past and all I could do was go to purchasing and look for Dominion Energy. I couldn't even find an agreement with Dominion Energy so we are assuming that is old and it has expired. Natalie Abel – and that can be true because Dominion a long time ago did not do physical contracts it was actually over the phone and that is what we usually see if you can't find a physical contract and if it is that high of a rate it usually means it has expired. Mrs. Kuhn - Just one other question in the letter and you did mention it in your presentation if the Municipality would go with this whether it would be one year, two year or 30 months, whichever it would be it would still be a fixed rate not a variable. Natalie Abel - No we don't offer variable; it is always going to be a fixed rate. Howard Davidson – You understand we are not asking you to make any decision tonight just to take it into consideration. If you want to follow through it let Moe know. Mayor DeLuca – did you give the Manager this information? Howard Davidson - well Moe and I actually talked about this a couple months ago and he thought it would be a good idea to invite her to come to one of your Council Meetings. Mayor DeLuca – Since we have different suppliers for electric do we have different suppliers for gas and did you check to see when those contracts are expired? Natalie Abel – Yes we did, between your Equitable and Peoples you are also with Dominion and they were just renewed through 2015 and they were good rates. So you are good on the gas side. If you do want to move forward, just let me know. I told Howard I just have to get the price refreshed and I left a copy of the agreement with the solicitor and Howard to review ahead of time. So if you have any questions, let me know. Thank you.

Mayor DeLuca – thank you.

Mayor DeLuca – Next we have the Martin Luther King Community Mural Project.

Good evening my name is Oliver Harper and I am the Senior Pastor and President of Solid Rock Foundation International Outreach where we work with churches in the community, churches nationally, churches internationally to work with children, teenagers, adults to prepare them to move out into the world and to get them ready to give them an education of how to approach the job and the work force and to move forward in that field. We just put recently a year ago last July bought the Swanson property and our vision for that property is to get everything up to what it used to be. The property was left in disrepair for probably I don't even know for sure 5-10 years and a lot of the buildings were in pretty bad shape. Our vision is to get everything back in operating condition to enhance the community, to make the area look nice again and to get businesses back operating in the community in that center and in that area. When we first moved in Dr. Zivic rented a space, there is an apartment rented, there is a Swanson Messenger Service that is a part of it, since then, since we have been there we have opened Auntie Sherry's Christian Child Care so we have a child care center that ministers and works with children from infants up to 14, 15 and 16 year olds. Attorney Carl Johnston has moved in so he occupies the building and we are also working with the garage to get it restored and get that back up. I got approached a few months ago about doing a mural project with moving the lives of kids with mural projects which would be painting murals on the walls which would be beautifying the area which would be upgrading the area and the buildings that are in that shopping center. I have Kyle Hobrock and he is going to present that program.

Kyle – Hello Council. Thank you for having me here. I do have some brochures that I want to give to Council. I will pass them around. You will see that those brochures talk a little about some of the projects we have done around the country. Here in Pittsburgh we are responsible for many of the murals that you see downtown, Mount Lebanon, Ross Park Mall, Monroeville Mall, and several other neighborhoods. We have done 200 all around Pittsburgh and often times we get kids involved in them, there is an education component and also an employment component. With this particular mural myself, we have a team we work with at the Center of the Arts, Pittsburgh Arts Council and a lot of the large arts organizations. Cultural trust is what we started today. I have been a residence of Penn Hills since I was fifteen, I was born in Wilksburg. I went and graduated from Penn Hills High School and Penn Hills is an area that is near to me. I have several friends and my family here but we have never done a mural here. We did one at Eazor's down on Long Road that he wanted a car theme. It is really exciting to do something community based here in Penn Hills and get some of the youth involved. Every project is a little bit different and this project we wanted to partner with the Grass Roots Organization in Penn Hills because it has been in such a transitional state for some time. I have seen Swanson's go from an area that used to look different than it does now. It is great when we found and went around and talked to different organizations and when we found Reverend Harper and found this

organization and that they are really putting their heart and soul into revitalizing a particular section of the community. And it is a section of the community that we believe is moving the lives of kids with MLK Murals it is a gateway to Penn Hills. When you leave the city it is the first commercial buildings that you see and it is right there on Frankstown Road. It being Swanson's and it has such a historical significance and been such a prominent building in Penn Hills we thought having something with bright colors looking positive, looking happy would be something great and received well in Penn Hills. We are supported by several foundations throughout the country and here locally as well. When we talked about it with them they were excited about it as well. The imagery in this particular mural as is in Monroeville Mall and as is in Wilksburg on Penn Avenue we have an overall theme that is of community and of diversity and that was identified by the foundation and the property owner and then going and talking with some of the residents in the area and the sketch is and the designs we want to create with the kids, it won't look like kid art, it won't look like kids did it, it will be a mural not graffiti, we want to be very clear about that, every mural that we have done we have done 500 nationally and 200 just here in Pittsburgh none have ever been graffiti on. They have all been for most part often times they are murals that have had graffiti problems in the past. This we want it to be about diversity and community and so the imagery is going to be smiling kids faces and things of those sorts but they are going to come from a five week process that we are going to start July 5, 2011 and we are going to work 3 days a week with kids from Penn Hills that live in that area, a more detailed syllabus with kids from the Solid Rock Foundation and those kids will learn different design elements, basics of art, colors, design and theory. They will also take pictures of people and places in the community. It will be diverse and it will incorporate all races of course as Penn Hills is a real testament of diversity. We also would like some of the historical images in Penn Hills, such as Swanson's and how it used to look, the Municipal Building will be included. We want to have an unveiling at the end, the exact time is to be announced and of course we want to call on Council and get your input on unveiling and proper times. We could put out a joint press release but it can be a nice location for the unveiling of the mural and we can invite the whole community out and really have a good celebration. I know the foundations are excited about that as well. So I wanted to come and get your input, answer any questions, the exact design will be ready the first week in July after working with the kids and talking with them and we will be happy of course to share that with Council. That would be great if we could let all the residents know in some newsletter or someway because we really want all of the community to come out and be happy. We are going to get some kids employed from Penn Hills and even more kids will get this education opportunity. So thank you and there is more information on [mlkmural.com](http://mlkmural.com) and I am here to answer any questions.

Howard Davidson – are you looking at Swanson Building or the Garage?

Kyle – actually great question. I think we initially started with just the Swanson Building but looking at the need for some beautification in that whole area we really wanted to expand to that whole garage, so the back of garage also. Howard Davidson – I heard the back of the garage is a great wall for a mural but the shame of it is if you

drive Frankstown Road you won't see it. Kyle – We want to do the back wall and Swanson's. It will all look like the same mural so it will look like the same project.

Dr. Kincaid – In regards to follow up on Howard's question are you talking about both directions east and west for the mural itself or is the foundation proposing one side only to begin with? Do you know what I am saying? Kyle – Well yes I think we would like to do both sides of Swanson's just to get as much bright colors as possible, bright colors positive energy, kids smiling, kids faces, have some old cars some Penn Hill's history that we are proud of. Yes we would like to do the back of the garage and both sides of the Swanson Building. Dr. Kincaid - Just a follow up, I read what I could read and digest it relevant to the Penn Hill's School District. Is that where you are going to do some of your recruitment, for example for some of the youth paid or volunteered. My query is are you also going through Solid Rock and through your efforts are you going to involve some of the immediate neighborhood children so that they have some ownership and feel part of the community piece. Kyle – Yes, I am glad that you said that. Often times we go and get kids directly from the high school and to come and work on this. In this particular project we wanted to involve the kids from the Solid Rock Foundation, some of the younger kids from the day care that are adjacent to the wall, but we also wanted to provide it primarily to kids who are in that direct area so they have ownership of it. We have liability insurance to cover all of this and we have done this for years. Dr. Kincaid – I just want to add to my query I am certainly honored to meet you because I have seen your work all over the city and also around the country. It is a great addition to any community as you said and it certainly is not just beautification. We all like esthetics but it also tells a story of the community and helps people to understand it didn't just start when they moved in. We have a lot of people moving in and out of course so I certainly affirm and wish you well and the efforts of Reverend Harper whom I know personally and also the Solid Rock Foundation so I hope you can get this off the ground and make it work and if you are starting in July looks to me like this is the 11<sup>th</sup> hour. Kyle – yes we have been raising funds since early in the year so everything is in place.

Mrs. Kuhn - First of all when I go to Monroeville Mall and see that mural there no matter how many times I walk by it I look at it and every time I do I see something different and I think that is remarkable. I was happy to hear that you said that you would involve Penn Hills history because of the fact that that is wonderful to have in there and the fact that you are going to have the children in the area and at school is a very important factor because when they see they are a part of it then I think that they too will respect it in a much more positive way. I wish you all the best in the world and I would hope Mayor that we would be able to put this not only on our web-site but that we would have the local paper put it in so when you get to the date that you are pretty sure of it would be wonderful to have a large display of people to see the unveiling. So I wish you all the luck in the world and I think it is a wonderful adventure. Kyle – thank you.

Mayor DeLuca – I want to wish you good luck too. This number here because I know a young man who is a really good artist, he paints, would this be the number that

he would contact you to get involved in the project. Kyle – yes, you can say it out loud if you like. 412-519-8438.

Mayor DeLuca – thank you. – Kyle – thank you Mayor and Council.

Mr. Palumbo – I also would like to thank you for doing this and it is great to know that you are a Penn Hills Graduate and it is really great to see you come back and do something like this and know that your work is in the Monroeville Mall and all over the city. That is a testament to you. Kyle – thank you, sir.

### **APPROVAL OF MINUTES**

Mr. Underwood made a motion to approve Minutes of June 6, 2011.

Mr. Palumbo seconded the motion.

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

### **EXPENDITURES**

### **APPROVAL OF WARRANTS**

Dr. Kincaid made a motion to approve the Master Expenditures Summary dated June 20, 2011 – Journal Vouchers 8 - \$2,133,080.98, C.D. Requisitions 2 - \$5,922.00, EECBG Requisitions 0 - \$0.00, Checks Numbering 18024 – 18142 - \$738,428.73, making a grand total of \$2,877,431.71.

Mr. Underwood seconded the motion.

Mickey O’Conner – 1095 Maple Avenue – Page 11 – Nextel – Sprint, the nearest I can figure that comes to \$36,000 a year for telephones. Don’t you think that is out of hand there? You are paying \$3,200 a month. Mayor DeLuca – Ed do you know when that contract is up? Ed – No I don’t know. Mickey – that seems a little steep to me unless we have a whole bunch of them out there. Mayor DeLuca – we will have to find out but hopefully it is not one of those things where the contract is if you have the cell phone you have to upgrade the plan. Mickey – page 12 – Oakmont Water – Penn Hills Park – about \$500.00 worth of water – are we having a leak problem down there or don’t we know. I know we should not. That is a lot of water. I don’t know if anybody is watching that down there or whatever, but that is a lot of water. You were talking about utilities that is why I thought I would keep the utility theme going. Thank you.

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

## **RESOLUTIONS**

Mr. Underwood made a motion to approve **Resolution No. 2011-047** approving The Five Year Consolidated Plan, Community Development Application, Action Plan for 2011-2012, and the Home Program.

Dr. Kincaid seconded the motion.

Jim Carnahan – 201 Jefferson Road – I don't really have a question. On this Senior Aid Rehab Program we have down here \$15,000 we haven't been able to find any information out on who handles this now up here since they took it out of the Senior Center's hands, we don't know what the activity is. Who handles this and processes these applications? Howard Davidson – myself and John McCafferty. Jim Carnahan – is it going steady? Howard Davidson – actually it is going slower than I had anticipated. I always thought that we would get much higher demand under this program but the program may be out of funds right now but this is to inject another \$15,000 in the program right now. Jim Carnahan – In other words the funds are depleted right now. Howard Davidson – no I am just saying if you heard there is no activity then I can check with John McCafferty for you but as far as I know the program is still alive. I always thought we would run out of money in this program very early every year but we haven't so far. Jim Carnahan – we thought that too when we were handling it down there. Mayor Deluca – actually Howard do we know because for awhile we weren't doing Outreach, we are doing Outreach now so are they going through the programs that we have to offer? Howard Davidson – we are informing the people down at the Senior Citizen Center about the program and asking them to help us to pass the word. We could always do more. This is up to a \$1,000 Grant for Senior Citizens, low income that have a code violation on their property. We can help them. I always thought that we would have a tremendous demand because it is a Grant and not a loan but all I can do is tell Council and you Jim pass the word on to any senior that you think qualifies and get in touch with us. Jim Carnahan – Yes we will try and do that and I think the Mayor brought up about Outreach, it is in the information when they go to these homes and they do tell them about it. I don't know why they don't use it. Mayor DeLuca – I don't know it is a good program, it is a \$1,000.00. Jim Carnahan – It is a fantastic program, I can't figure out why it didn't really take off and come to Howard and say we need \$25,000 more.

Mrs. Kuhn – I want to thank Howard for the information that he gave to me because I was very concerned on this when I saw that the Lincoln Park Community Center Food Bank, Jefferson Manner Food Bank, the Penn Hills Service Association and Town Wide Demolition had been cut from the program and as Howard explained to me this was not cut by the Municipality. This was cut because of the fact that the Government has cut the program. And with the Government cutting the programs, we can only give 15% of the entire amount that we have toward these and that is why the funding was cut so as to stay within the agreed figure of 15% when they cut our amounts then the ones that we already had were at the max of 15% they were cut too.

It is very upsetting to me that in these times when we have more people and more families using these facilities that we have to cut these budgets. But for the public and hoping the media to understand that this is not done by Penn Hills, this was done because of the funding was cut and we having no other choice because we can only give 15% of the total package. So it is very upsetting and very sad.

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

## **DISCUSSION SESSION**

Howard Davidson – well the one item I have for you is the first draft of the Marcellus Shale Ordinance. You have it in your packet. It is in front of the Planning Commission right now, our Planning Commission is yet to make a final recommendation for you but they will and if you remember the preview from the previous workshops our intent here is to simply adopt a local Ordinance that can locate force and the location of Marcellus Shale wells into industrial districts. There is no attempt here to ban the drilling and neither is that we have been contacted by the industry. They have not submitted an application, they have not given me an indication that they plan to, this is an Ordinance simply for us to be prepared in case it would happen. I am prepared to add additional sections or take sections out or head in a different direction if you think we are not headed in the right direction. Of course you are going to have a hearing on this Ordinance and I can take your comments right now if you have them?

Mayor DeLuca – Under deep wells, wells in excess of 4,000 feet, is that for a regular well, you know how Huntington came in here?

Howard Davidson – Well we have shallow wells all over Penn Hills. We have 45 – 50 wells in Penn Hills over the years in the shallow wells category. The definition of deep wells is taken right off of model Ordinances through the State of Pennsylvania for lack of a better term you could call it the Marcellus Shale Well or you could call it a deep well. It is the 4,000 feet that gets them down to that Marcellus pocket where that pocket of gas is.

Mayor DeLuca – I would like to see in there and I asked if Bonnie's office can also take a look at it. If they are going to use any chemicals they have to register with the Municipality so we know what they are using. Howard Davidson – O.K. Mayor DeLuca – If we could get away with it let's charge them a fee to register. Howard Davidson – I was going to bring up the fee, if you haven't noticed I put a \$50,000 fee in there now all the other communities are talking about \$5,000 here, \$1,000 here, \$1,500 here nobody is up to \$50,000, I am willing to go \$100,000 if you want. I put a fee in there that I think you can justify. I think if Marcellus Shale comes to Penn Hills I think you are going to have our Police Department involved, our Code Enforcement Officers involved, I think you may want to hire consultants to go out there and make inspections because DEP isn't hiring enough inspectors. I could go on and on. I could give you a list of the things that inspection type of people would look at and say how could we afford all of that. Well it is the \$50,000 fee that is involved; on the other hand I think you

can expect resistance from the industry. Mayor DeLuca – well what about \$200,000. They are making a lot of money. Howard Davidson – if you want to push me in that direction I am not going to fight you. Ann Sweeney – like Howard said the fee needs to be reasonable and justifiable. Howard Davidson – I have a feeling you are not concerned about it being \$50,000 right now. Mayor DeLuca – no, they are going to be making a lot of money if they do come in and drill plus you have the risk associated with it so I think they should pay for it. Howard Davidson – well then I am not going to take it down to \$5,000. Mayor DeLuca – no, no. Also, I would add in there if they are going to take the wastewater out and moving it, that some type of bond be put in place because if there is an accident with them removing it, we are going to be stuck with the clean up, our Volunteer Fire Departments are going to be dealing with this stuff. Howard Davidson – we have the bonding requirements.

Mr. Underwood – With this document compared to other areas that are looking into Marcellus Shale especially Pittsburgh and I understand that there is kind of a ten year before somebody thinks it could come into this area, I believe that we should do PDQ but I think it should be passed through Bonnie's office again to let them do more research. Howard Davidson – Bonnie's office will eventually be involved the same time you are involved. We are at the early stages right now but it won't take that long. We will probably only need one more session maybe two at the most with the Planning Commission. We will then formally advertise the hearing for Council and at that time Bonnie's office will be looking at it. You could adopt it as quickly or slowly as you want, you could adopt it after one hearing or you could have as many as you feel you need. But there is no reason why we can't have this in place in four or five months. Mr. Underwood – how else would this interfere with the drilling that the Ordinance that we have currently for drilling affect that or do we need to revise that Ordinance to comply with what we are talking about tonight? Howard Davidson – what we have in place right now again we have had many many shallow wells drilled in Penn Hills, we have had a few occasions where we have had incidents like mud on the road and some erosion control issues, but we have them pretty much in control. I think if anything a real slow down is we haven't had many applications lately, we had one down on Poketa Road if you remember about six months ago, before that one it was a pretty long break without any. Mr. Underwood – Also with Poketa Road didn't they do some trees and didn't notify your office. Howard Davidson – that is another issue that we are taking up with the Planning Commission we need to tighten the regulations on the forestry that is another matter. We had some problems with forestry where we had a forester on Hunter Road that actually went into a buffer area and removed the buffer. The Mayor and myself and Chris Blackwell we met with the forester and the property owner next door and we got some promises and have an agreement that they are going to do some restoration down there but I think if we learned a lesson from that I think we need to tighten better regulations on forestry. Now it is understandable that you bring them up the same time because often they have people drilling the wells partner up with the guys who are selling trees. So sometimes you see them both together. Mr. Underwood – I thought when this particular project you mentioned came up and I believe it is all in print somewhere in our minutes I asked if the forestry people that were coming and selecting certain trees to be cut that your department had to be notified and your

department had to go out and say yes, no, yes no and walk the whole area? Howard Davidson – again everything went fine with Poketa, back to the Hunter Road problem, it wasn't because we weren't notified it was simply because the operator, the person who was cutting the trees subbed out to a sub contractor that wasn't aware of where the buffer was and he went down and cut down trees in the buffer before we knew it he was cutting trees in the buffer and by the time we tried to stop him the damage was done. Mr. Underwood - O.K. that is the one I was speaking of, I apologize, that is on Hunter Road. Is that in the Ordinance that he had to comply? Howard Davidson – they violated the Ordinance. Mr. Underwood – did we fine them? Howard Davidson - He had all kinds of excuses but he violated the Ordinance, we are not seeking violation fines from Mr. HRomyak, we are seeking the contractor to go back and restore the property and meet with the owner that was most affected and try to satisfy that homeowner and we are still at it.

Mrs. Kuhn – Howard in regards to the Ordinance here tonight for the Marcellus Shale Ordinance the difference on this is because it is deep wells because it is 4,000 feet or deeper, is that correct? Howard Davidson – the tremendous difference is being the large amounts of trucking that would take place – Sara Kuhn – no, no I mean the reason we are doing this Ordinance in regards to the one that is in place now because this is for deep well minimum of 4,000 feet. Howard – yes. Mrs. Kuhn – I am very pleased, I am assuming this is your department who brought this Ordinance into being because being that we brought it in before they have even given an application then they will have to abide by our Ordinance, if we had an application and then a pending Ordinance it would be too late and they would be able to go forward and I do commend your department for putting this into place now so that if that does happen Penn Hills is covered by that. And just reading the memo you have here Howard you do have that the highlights would be limitation to heavy industrial districts, bonding, required traffic plan, substantial fee, required emergency plan, and property restoration. So that is what you have in here as we speak tonight. Is that correct? Howard – yes. Mrs. Kuhn – so this will go before Planning and once it goes to Planning they will give the recommendation to Mayor and Council, but being that we already have a proposed Ordinance if they would come in tomorrow they would have to go by this. Is this correct? Howard Davison - we would have the time to take this pending Ordinance all the way and it would affect their application. Mrs. Kuhn - that is the good part that we were ahead instead of behind so congratulations.

Mayor DeLuca - another thing Howard say there was a blow out of the well, who would be responsible, do you know? Maybe we should have some protection against that too. Howard Davidson – Well again DEP has that, I could look into that in terms of the details for you and see if we need to add anything. I will make a note. One thing you have to remember is we can't rewrite to the DEP Regulations. Mayor DeLuca – well no but just want to make sure we are protected, if there is a blow out our volunteers have to go up and clean up the mess, we are not equipped for that. Howard Davidson – in that regard, I understand now and yes I did put language in there that I took from Cranberry that they have the training and they have to give us an emergency plan so we have that. I will take a closer look at that. Mayor DeLuca – just to make

sure, if we don't have the equipment what good is the training if that is something we have to prepare for when they do come in.

Howard Davidson – I do have one comment I was quite surprised the last time we advertised as a Discussion Item on the Planning Commission Agenda and nobody showed. Everybody thinks this is such a controversial issue either that or they are all waiting or they don't take the Planning Commission serious so they are all waiting for Council.

### **PUBLIC COMMENT**

Don Sanker, 780 Long Road, First of all congratulations Howard. If Governor Corbett refuses to tax Marcellus Shale then Penn Hills should. \$100,000 should be the minimum and it should go up from there. I want to congratulate Howard, I had made a complaint about a month ago, there is an apartment building sitting between the Penn Hills Bar & Grille on Frankstown Road and the shopping center that contains Coit's and Penn Hills Kitchen. The dumpster in there is generally loaded and then once it gets loaded all the residents over there they just throw their trash beside it and then the people who pick up the trash come in dump the dumpster but all the trash is still sitting there. It has been there over a month and just I think it was Friday finally all the trash was picked up everything was cleaned up. That is a major distraction in Penn Hills, it is on a major road and the people over there were just throwing that trash out consistently and I got fed up with it and I called Howard and said hey file a complaint and evidently it did some good because within the last week that place has been cleaned up and I drove past it this evening and it is still cleaned up. They seem to fill that dumpster every three days. It is a pretty big dumpster. I see couches and chairs out there, I see junk out there and it is really a shame that the people that live there can't understand that they have to throw the trash into the dumpster. I have seen 4, 5, and 6 year olds and taking the bags and throwing it up against the dumpster. So thank you Howard for cleaning it up because Penn Hills needs cleaned up. Thank you.

Howard Davidson – I will pass that thank you on to Code because I just filed that complaint in Code.

Ed Zulo – 113 Elizabeth Drive – Yes I see that dumpster every morning. I am glad somebody has done something about it. But I just wanted to come up and thank the Mayor and Council for supporting the Penn Hills Community Development Corporation and I wanted to invite all you guys to join us on July 20 at the Senior Center at 7:00 P.M. We have our meeting where we break into committees and different committees do different things. Beautification, we have a community garden and economic development, things like that so we welcome you guys to get involved in it and so I just wanted to thank you for your support so far. Thank you.

Mayor DeLuca – thank you Ed.

Mayor DeLuca – with that we will adjourn and go into an Executive Session to discuss litigation.

**ADJOURNMENT**

Mayor DeLuca entertained motion to adjourn.

Dr. Kincaid made a motion to adjourn.

Mr. Underwood seconded the motion.

Meeting adjourned at 8:35 P.M.

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MAUREEN M. SORCE  
MANAGER'S SECRETARY

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DATE