

AUGUST 1, 2011 COUNCIL MEETING MINUTES

The August 1, 2011 Council Meeting was called to order at 7:40 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. We are going to delete Items for Consideration and Introduction to Ordinances and Resolutions, the Ordinance tonight we are just going to have a hearing we are not going to take any action on it tonight. With that will you please stand for the Pledge of Allegiance?

ROLL CALL

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

Also present were Manager Rayan, Finance Director Schrecengost, Planning Director Davidson, Controller Futules, Attorney Brimmeier, Gateway Engineer Minsterman and Secretary Sorce.

APPROVAL OF MINUTES

Mr. Underwood made a motion to approve Minutes of July 18, 2011.

Dr. Kincaid seconded the motion.

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

EXPENDITURES

Dr. Kincaid made a motion to approve the Master Expenditures Summary dated August 1, 2011 – Journal Vouchers – 0 - \$0.00, C.D. Requisitions – 4 - \$1,244.00, EECBG Requisitions – 1 - \$284.75, Checks Numbering 18400 – 18549 - \$503,940.66 making a grand total of \$505,469.41.

Mr. Underwood seconded the motion.

Mrs. Kuhn – On page 13, check no. 18527 for the Pittsburgh Pirates, I am assuming, I don't know if I ask the Manager or Ed do we front for those tickets and then are those the ones that are sold Moe and then we get reimbursed from the selling of the tickets, am I correct?

Moe Rayan – that is correct.

Mrs. Kuhn – On page 14, I know throughout the expenditures there are some different check numbers for ambulance trip refunds. I know that I brought this up in a report at one time and I still don't know if there is anything that we can do Moe about this and the problem is that when there is an ambulance transport and if you have insurance for some reason when they bill the hospital sends it to the insurance carrier but instead of the insurance carrier paying the ambulance service direct they send it in the name of the patient and I know I brought this up because I had a concern about it with CONNECT ONE. Well my son unfortunately had to be transported and he is very familiar so the reason I am bringing it up is even someone who is familiar can get confused because of the fact he went in the ambulance and went in and turned everything in and about 4 weeks after his ambulance trip he gets a check from the insurance company for \$852.00 made out to himself personally. No explanation. He called me and said I got this check and I said to him well Don there is no reason that they would give you a check and I said in all probability that check is probably for the ambulance service. Well then he did get a bill from the Municipality for the ambulance service in that amount, but my point is if you have someone who isn't familiar with the system and they are receiving a check in that amount of money only in their name that is why you have them cashing the check and then the ambulance service is not getting paid for it and that is why our ambulance services and not just Penn Hills this is throughout and when I was at CONNECT ONE's meeting I brought up that there needs to be something to address this somehow so even if they put it in both names but when you are just getting a check in your name so many people might be cashing that and then that is why they are not reimbursing the ambulance service and unfortunately there are some people that when they get the bill from the ambulance service they are not really caring what their credit is and so I don't know Moe is there anything we as a Municipality could initiate to the insurance companies because I have no idea why the insurance companies are doing that and sending it to the person instead of to the ambulance service because if you have a doctor bill or a hospital bill they send it to UPMC Hospital they don't send it to Sara Kuhn for \$30,000.00 and then it is up to me to pay the hospital bill so if they do it for the hospitals and for the doctors I don't know why they are making it different for the ambulance service.

Moe Rayan – I am not sure Mrs. Kuhn at this time but I will talk it over with the EMS Supervisor and have Mrs. Fitzhenry check into it.

Mrs. Kuhn – If it has to be Penn Hills to initiate it then let us be the one who initiates it.

Mayor DeLuca – Let me ask you this. Bonnie is there anything since we are a Home Rule Charter are we aloud to do anything as long as it doesn't conflict with State or Federal Laws? Is there anything on the State books that says we can't pass something like an Ordinance where the insurance companies have to actually pay Penn Hills for an ambulance trip instead of sending that money there?

Bonnie Brimmeier – I can certainly check into that and I know this is an issue in other Municipalities and I always said it is like when they changed the legislation and if there was a fire that the insurance companies for the fire had to pay the Municipalities first where the Municipalities had to go in and do demolitions and to me there is no reason why this shouldn't be the same way. So, I don't have a firm answer for you because I don't want to give you bad advice, but I will certainly check to make sure that there is no preemption on the State issue but you are right it definitely should be happening that the check should be made out to the people that are providing the service so I will check on that for you.

Mayor DeLuca – so check on it to see if it is silent.

Bonnie Brimmeier – If it is silent then I would suggest we do an Ordinance.

Mayor DeLuca – We will do an Ordinance and then we will have it.

Ed Schrecengost – Mr. Mayor I think they told us we had to have a contract with our carriers and that is part of the reason.

Bonnie Brimmeier – O.K. maybe that is what we need to do is do a contract.

Mrs. Kuhn – something needs to be done, because of the fact that is why all the ambulance services are having difficulties, so if we can do something I certainly would appreciate it so thank you very much.

Mrs. Kuhn abstained from check # 18513 and #18514 to Don Kuhn Auto Body, yes to all others.

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

Mayor DeLuca – next we will open the hearing for Ordinance No. 2536 of 2011.

Mrs. Kuhn – I did go through and I think there is a lot of good things in it but I think some things need to be maybe elaborated on somewhat but it would be the third page 7.4 number 2, I am very happy to see that it does say that the applicant has to meet all Pennsylvania DEP but they have to supply a copy of the State Federal Permit Application but not only the permit application but then they also have to supply the approval letters because of the fact that just because you apply for something doesn't necessarily mean you have approval of it. So I am glad to see the Ordinance is stating that they do have to have the approval letter also. There are a lot of things I am happy with on it but these are just some of the things that I wanted to point out. Number 6 on the same section where it has prior to the commencement of any activity of the development site the applicant has to enter into a Municipal Roadway Maintenance and Repair Agreement regarding maintenance and repair of local roads because that is very important too because of the fact they are going to have heavy equipment going over those roads so I wanted something in place and not something that is assumed; I am

glad that we are actually having something in place. And then on the next page, number 12 to provide certification that a bond is held to insure proper plugging when the well is classified as inactive. I think that is very important because once something is inactive I don't want them to just walk away from it and then there would be a problem for the Municipality. So those are things that I am very happy that are in it but I do think I know the Mayor had mentioned some things to me that I agree with him on that need to be updated on. Thank you.

Mayor DeLuca – A couple of things. I know that the \$100,000 is a onetime fee and I know the solicitor said it has to be a reasonable cost. What is a reasonable cost? Can we base it on environmental impact, if it is going to be there for a 100 years, \$100,000 is not going to cover our costs or can we go reasonable cost based on the profits that they are going to be pulling out of the well? I would like to have that number based on either of those two areas. I don't think \$100,000 is enough if they ever do drill here. What is it going to cost Penn Hills in the long term?

Bonnie Brimmeier – The fees that we are permitted to charge are what would be legitimate cost that we could say it is going to take our staff x amount of hours at x dollars.

Mayor DeLuca – x amount, yes but once they are done drilling and then they cap it I mean then it will be up to the Municipality so \$100,000 might be our cost for when they start drilling but you have to look for the long term.

Bonnie Brimmeier – Whatever would be attributed to our cost for administering this but it wouldn't necessarily be tied to their profit margins. But certainly whatever we would be responsible for in terms of managing it then we can charge for that.

Howard Davidson – Do you want me to provide a list of activities that we would have to undertake?

Mayor DeLuca – yes, for however long this well and also when the well is plugged and after to cover our cost.

Howard Davidson – o.k.

Moe Rayan – Mr. Mayor I just want to add something real quick here. The International Fire Code the IFC Ordinance #2525 of 2010 did cover a lot of items inside this so we do have double protection in terms of some of the items here. The Ordinance that was passed in 2010 and in this Ordinance combined we should be in decent shape in terms of protection for the community.

Mayor DeLuca – O.K.

Howard Davidson – Do you want me to give a preview of what the Ordinance essentially does? Just a minute for the people in the audience we are not banning wells

from the community we are requiring that they be conditional uses in industrial districts on sites of ten acres or more. Part of the conditional use application process that Mrs. Kuhn mentioned requires things like meeting dates and federal regulations, providing bonds and transportation plans. We also have to submit a site plan and take it to the Planning Commission first then on to Council after that, have to take care of the roads, sign maintenance agreements, control traffic, flag men, emergency plans and they have to provide a training program to our volunteer firemen, police department if they ask for it and fence and secure. All those things are built into the Ordinance. Just wanted to let the people out there know that these are the types of things out there.

Mayor DeLuca – O.K. Howard under number 11 for the training program it says while drilling activities are still taking place I think it should be while the well is still active they should be providing training to the fire fighters at least once a year while it is still active.

Moe Rayan – we would have to extend the training to all responders Mr. Mayor EMS, Police, etc.

Mayor DeLuca – Another thing is I would like to see in here they have to register what chemicals they are using for the drilling and what is going to be stored on site and how much. The other thing is if they are going to do fracking they have to remove that waste water. I would also like a bonding or some language of some sort if there is an accident while they are transporting it then the Municipality of Penn Hills is not responsible for all costs of the clean up.

Howard Davidson – I am sorry you did mention that to me once before. Accidents while transporting the water. O.K.

Mayor DeLuca – and also you did mention the Fire Ordinance anything that should be related should be referred back to the Fire Ordinance so they know if they just read this Ordinance and then they say they don't know about that and take us to court just make sure we refer back to the Fire Ordinance wherever it should fit in.

Ed Zulo – 113 Elizabeth Drive – I think we should look at the gas companies coming in here as a big opportunity to maybe pay off our \$90 million debt . Wilksburg has banned them, Pittsburgh has banned them so here in Penn Hills we should welcome them in and instead of getting \$100,000 maybe get a \$100,000 plus a royalty like every cubic foot of gas that they pull out we get ¼ or something and that money could really build up and we could use this as an opportunity to pay off our debt and get out of the hole. So maybe Howard if you could look at royalties?

Howard Davidson – I think you should take a tape recording of that sentence and send it right to Harrisburg.

Mayor DeLuca – I don't think we would be a loud to do that. I agree with you, it would be a nice idea.

Ed Zulo – I heard this big thing on NPR I think it was a 2 hour thing on fracking and all this and there was somebody mentioning royalties. They make a lot of money on these wells, \$100,000 is really nothing.

Bonnie Brimmeier – The only way you could do that is if it was incorporated into some type of business privilege tax, the State mandates the things that you are a loud to tax. I would really have to research whether that would fall under that category but to just say in general we are going to take x percent of your royalties we can't do that but if it would fall under one of the categories of what they call an ACT 111 tax and right now I am not hearing anybody characterizing them that way but I can certainly look at it and see if we can get creative. I can certainly look to see whether we can experiment and try to pull it under one of the business privilege taxes if you want me to research that.

Mayor DeLuca – what does Council think do you want to give it a shot.

All Council agreed.

Mayor DeLuca – O.K. this hearing is closed.

Mayor DeLuca – With that we will go into an Executive Session for personnel matters.

ADJOURNMENT

Mayor DeLuca entertained motion to adjourn.

Dr. Kincaid made a motion to adjourn.

Mr. Underwood seconded the motion.

Meeting adjourned at 7:54 P.M.

MAUREEN M. SORCE
MANAGER'S SECRETARY

DATE

