

SEPTEMBER 19, 2011 COUNCIL MEETING MINUTES

The September 19, 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. The Agenda will stand as presented.

PLEDGE OF ALLEGIANCE

All stood for the Pledge of Allegiance.

ROLL CALL

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

Also present were Manager Rayan, Finance Director Schrecengost, Water Pollution Director O’Grady, Planning Director Davidson, Solicitor Brimmeier, Police Chief Burton, Gateway Engineer Minsterman and Manager’s Secretary Sorce.

CITIZEN’S TO ADDRESS COUNCIL:

Jeff Campbell – Thank you for giving me your time here. The issue that we wanted to talk about, I am the Project Architect for Beechtree Commons II which is done by National Church Residences located just about 1,000 feet to the east of the Beechtree Commons I Project on Leechburg Road. We asked Moe that we have some time here to present a particular issue that has come up with us in regards to the sewer tap fees. There was a letter of appeal that we had issued to Moe that hopefully you all have a copy of. In a nut shell, I actually appeared before you in January of 2011 to get the final Resolution regarding the Conditional Use Application for the 40 units Senior Housing at Beechtree Commons II. As I noted this is very similar to what we have done at Beechtree Commons I. This is done by National Church Residences, a National Developer who builds, owns and maintains all their properties. This building is meant to be in character very similar to that one. That unit is 60 units this one is 40 units. Since January 2011, we have been completing the designs. We have finalized the construction documents. In late June we finished those, sent those out for pricing for getting construction contracts, also went through an evaluating engineering phase. In late June we also submitted them for building permits. At that point when we submitted them for building permits was the first time we had learned of the raised sewer tap fees, so when we had done the first project ten years ago there were \$300.00 fees, they were

differentiated because they were apartment units instead of regular single family homes. Currently we have learned that it is \$2,600 per unit and at a 40 unit building that adds up to be quite a substantial amount. The Pennsylvania Code currently budgets about 400 gallons per house per day. The Pennsylvania Code also allows you to make if you can prove similar comparable projects in the area that have a reduced water rate there is an actual meter that you are allowed to use to reduce the gallons when determining what an equivalent dwelling unit is. Well in this case we have the perfect scenario just up the street from us. So we went back and looked at the last 12 months of water bills there and found that instead of 400 gallons a day we are actually averaging 60 gallons a day per unit. So what we are asking is that you basically consider this information instead of charging on the \$2,600.00 per unit flat rate, that you consider this new amount which would be 60 gallons instead of the 400 gallons if you take that out into what the Pennsylvania Code Department of Environmental Protection defines is an equivalent dwelling unit, that ends up being about 15% of what the actual fee would be so in this particular case the 60 gallons would turn out to be 2,400 gallons per day for the entire building, this is equivalent to 6 brand new houses so we are proposing that that rate the new rate be based on 6 new homes if you would do that math for 6 new homes that would be \$15,600.00, if you would multiply it by 1-1/2 times to include a factor of safety it would be \$23,400.00 and then if you would double that rate it would be 12 units or a fee of \$31,200.00. So I think, that basically at this point we are at a point where we have stopped the project because this fee is something that is larger than we had in our budget and had anticipated at all and right now we are looking for some relief in this regard so I would be happy to answer any questions.

Mrs. Kuhn – I am looking at this letter that was sent to us and it said that Council approved the project January 2011, is that correct?

Mr. Campbell – yes.

Mrs. Kuhn – That is correct. But it says that the sewer tap fees were adopted by Penn Hills in 2004. Is that correct?

Mr. Campbell – correct.

Mrs. Kuhn – So, that is where my question is. That if they were adopted in 2004 is that the lesser or is that what it is now?

Mr. Campbell – In 2004 I believe it was \$500.00 per single family unit and \$300.00 per multi-family units.

Mrs. Kuhn – Howard, when did we increase the rates?

Howard - 2004, if you want a little history this \$2,600.00 fee came at a time when \$2,600 fee was higher than your average in Allegheny County but not unreasonable for a single family home. It was the Planning Department's opinion that we should use EDU's or a lower number. Jim Schaffer was around at that time and

Jim Schaffer sort of insisted that we just have it at \$2,600 per unit. We have yet to have the reason why you are looking at it now in 2011 is because we have never had a garden apartment building or any other apartment building built in this town faced with this kind of fee. If you are looking for Planning Department's recommendation mine would be what he called the 100% safety factor and that is to use an EDU for a multi-family dwelling unit. An EDU is an equivalent dwelling unit based on sewage flow that DP uses for sewage modules for applications for flow into a treatment plant. In this case a fair fee, a relatively high fee, would be 12 x \$2,600.00, but I think we could reasonably ask for that \$31,200.00. If you hit them with the \$2,600.00 per unit as you said it creates a genuine budget problem for the developer.

Mrs. Kuhn – my problem Howard is if what you are saying is what you are recommending to us then it is bad policy then that we made the policy as what it is, I mean because of the fact if we made this policy as it is and then we are going to change the policy per person, that is my problem I don't like it when it comes in that it is up to the discretion of the person, why was it this much if it is not a fair value that is my problem with this.

Howard – I don't think it was fully discussed by Council back then.

Mayor DeLuca – I remember one of the things when Jim Schaffer was here discussing it he was saying it is required under Administrated Consent Order that we had to do the study and this is what we had to charge based on the study. And that was it. I guess the question is, are we still under that, do we have to do a new study or what?

Howard – I think the fee is excessive, I think it is too high. Monroeville for example charges \$1800.00 EDU.

Mayor DeLuca – I understand that. It might be too high but if this is something that was required for us to do and this is what the study found out that is my concern. I do not want to get into any more hot water and have DPA come in and say no you are doing this wrong and fine us.

Howard – Do you know what study that was?

Mayor DeLuca – It was part of the Administrative Consent Order.

Moe – Mayor, this was a study performed by Chester Engineering about ten years ago which the calculation was made and established the \$2,600.00 and was established based on the calculation, Tom if you want to talk about that a little bit.

Tom O'Grady – I would have to go back and look at the study because actually I wasn't prepared for this – I can certainly go back and pull that out of the file. The question is if it was done per EDU or per unit is basically the question.

Howard – why don't we do that and look at the study and see what it says?

Mayor DeLuca – well yes we need to take a look at the study but also under the Administrative Order that we are under now is this study required, what happened when we passed this.

Moe – Well the bottom line it is a \$73,000.00 gap between what you are proposing and what our Ordinance is and tonight it is on the Agenda a \$286,000.00 change order for sewer issues so the sewage in Penn Hills is not cheap. I am sorry that is probably not what you want to hear but in 2009 through 2011 we spent \$4,000,000.00 on renovating the sewers in Penn Hills so it is not an easy subject and it is not just oh Monroeville's is \$1,800.00 and Penn Hills is \$2,600.00, every single resident in this town pays a lot of money to keep a town going in terms of the sewer, so it is not an easy subject. At my level I cannot authorize a \$73,000.00 gap. Somehow you are going to have to look for some money to pay for that.

Howard – do you want us to investigate the study or not?

Mayor – Investigate the study. I would like to know were we correct in what we were told.

Tom O'Grady – I know you have to do a study before you raise the tap fee and you have to prove that you can raise it to the amount that you raised it. I wasn't in charge back then so I wasn't aware to all the facts. We can certainly pull it out and look at it.

Mrs. Kuhn – right and in fairness you weren't in charge but unfortunately the person who gave the information to Mayor and Council isn't here so I think what we need to do is see if that information was correct at that time and if that information still stands to this day and then maybe we can go over it again. I hate to hold you up on that but I think that is where we need to be. First of all because of the fact if it was mandated as it was told to Mayor & Council then our hands are tied on this. So I think that is what we need to do first is to find out if that information was correct that was given to Mayor and Council and if it is still in play to this point in time? So Tom if you could do that.

Tom O'Grady – O.K. I will do that.

Mr. Campbell – Just to clarify we are not asking to redo the fees or anything we are just asking for an exception where we can prove based on very comparable data that is right next door that we can prove very confidently that we will have a reduced flow and it won't be at that level.

Mayor DeLuca – o.k. thank you.

APPROVAL OF MINUTES

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

Mr. Palumbo seconded the motion.

There being no further discussion the motion was approved by a 4-0 vote. Dr. Kincaid abstained because he was not present at last meeting.

EXPENDITURES

Dr. Kincaid made a motion to approve the Master Expenditures Summary dated September 19, 2011 – Journal Vouchers 0 - \$0.00, C.D. Requisitions – 9 - \$9,796.25, EECBG Requisitions – 0 - \$0.00, Checks Numbering 18876 – 18991 - \$656,756.77 making a grand total of \$666,553.02.

Mr. Underwood seconded the motion.

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

Mickey O'Connor – 1095 Maple Avenue – Page 11 and continues to Page 12, Nick's Auto Repair. I see three charges on that particular bill to Nick's for over \$1,000.00 per vehicle for three vehicles. I am wondering one for brakes and rotors, one for exhaust system and tune up, the other one is bcm/hub/etc. is something being missed on the annual PM's when they go over there that it gets to the point that you have to spend \$1,000 on brakes and rotors on these cars? They are suppose to be going over there every couple thousand miles, are they missing this or are these vehicles just getting torn up? That's all.

Mayor DeLuca – Moe can you check in to that?

Mrs. Kuhn – I also was going to ask a question on Nick's Auto Repair because I noticed that the last meeting which was two weeks ago we had over \$4,000 and now this time we have close to \$9,000.00, that seems a little bit out of what the norm is and I know that there has been rumor on the streets about the mechanical situation for Penn Hills and I certainly hope this isn't coming about because of the fact the rumor that is out on the street because it seems awfully high, that would be almost \$13,000,00 - \$14,000.00 for one month because two weeks ago it was over \$4,000.00 and now this one is close to \$9,000.00 and that is certainly out of what the norm is. And I was also questioning the same as Mickey on 18898 at \$1,009.31 and it just says brake shoes and rotors and then 123162 for exhaust, tune up and 121313 for bcm/hub/etc. I mean that is large amounts Moe for all the information that is there.

Ed Schrecengost – That is all that fits on the description line.

Mrs. Kuhn – Ed and I do apologize because I didn't go over that with you but it just seems like those are pretty high amounts. This is suppose to be just for everyday maintenance on these vehicles, am I correct?

Moe – well every three thousand miles they go in for maintenance for regular PM, I am not sure, Chief is here, Chief Burton is sitting in the audience, Chief are you familiar with what type of PM they do over there.

Chief Burton – yes I am Mr. Manager. The vehicles in question are all investigative vehicles, they are 8 to 9 years old, they are falling apart. We didn't replace these vehicles last year or the year before so what we are running into now is the vehicles need major repairs because they have not been replaced. We could bring the receipts in and show you what was done, now again these are brief descriptions, the secretary only has so much room to enter in what is being done. So there is more being done to these vehicles rather than just brake shoes, shocks, etc.

Mrs. Kuhn – Chief do we know how many miles are on these vehicles?

Chief Burton – On the average, for the Investigative Division the average is over 90,000 miles.

Mrs. Kuhn – it just seems excessive compared to what they have been in the past not just the last eight months but on a monthly basis. It is very seldom that we are at \$9,000.00 in a two week period.

Moe – Correct, we are going to pull the receipts and take a look at the descriptions and find out exactly what was done to these vehicles and report back to you.

Mrs. Kuhn – I have one other question Mr. Mayor. It is on page 2, check #18935. We have here for Carl's Tree Service and it says and if I can address this to the Manager, emergency tree cutting on Paris. Is that because a tree was down across the road or something like that or is this just a tree that was in someone's yard.

Moe – No these are trees on the roadway. We don't cut on private property. As soon as they cross the right of way. This one here was within the Municipal right of way and fell during the storm, it was tangled in wire on Paris. We attempted to remove it ourselves and it was to large of a job for us. We didn't have the equipment, the crane to go up and dismantle that tree and bring it down safely so nobody gets hurt.

Mrs. Kuhn – O.K., because I thought that we did have Public Works go out usually and do the removal but when there is something this serious it is better that we be safe than sorry. I just wanted to ask on that.

Moe – It had wires and they were mangled around the tree.

Mrs. Kuhn – I just didn't know if we discontinued having the Public Works or if this is just something over and above what they are capable of doing.

Moe – that is correct. Sometimes we just don't have the vehicle to get up that high to start dismantling that tree and bring it down safely.

Mrs. Kuhn – Well I certainly am glad that we would do that other than take a chance of hurting someone. That was it, Thank you Mayor.

Mr. Underwood – Chief Burton – o.k. when these vehicles, I am going to pick on the Police Cars because that is what you are in charge of. When Nick's does anything to that car you get the paperwork, is that correct?

Chief Burton – that is correct.

Mr. Underwood – who researches everyone to find out if what is on the paper is true or you take it for granted that what they give you is what has to be signed off by you so they will be paid.

Chief Burton – we get the invoice after the fact. We don't have someone watching the work being done.

Mr. Underwood – so I being facetious if I was Nick's, I am going to say this Police Vehicle needs four tires and you will never know about it and we will take it to Flynn's and put four new tires on that car.

Chief Burton – If using tires as an example, Nick's does not say tires have to be replaced, our officers report the tires have to be replaced, we then go to Flynn's Tires and get them there. Nick does not replace them.

Mr. Underwood – what about an exhaust system? They are not going to crawl under the car before they take it over to Nick's. Nobody supervises Nick's on any repairs that I know of over there, all the Managers take for granted what they put down on paper is the truth, nobody can verify that so I have a problem with that.

Chief Burton – I don't have an answer for you, he is an approved vendor by Mayor and Council to get a Contract. If we didn't feel he was legitimate to do the job then we probably shouldn't have given him a contract.

Mr. Underwood – but he doesn't report back to every Manager about every vehicle and I am including the Police, Senior Citizens Building, Code Enforcement, nobody verifies what is true because nobody goes over there and double checks what the heck they say.

Chief Burton – We are not mechanics. I don't verify my car when I get it repaired.

Mr. Underwood – they can put it up on a rack and prove it to somebody that will verify that but nobody here does that and we pay the bill and the taxpayer's pay the bill. That is my problem. The taxpayers pay that bill.

Chief Burton – I have no reason to believe that he is cheating us. None whatsoever.

Mr. Underwood – I have doubt.

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

RESOLUTIONS

Mr. Underwood made a motion to approve **Resolution No. 2011-053** authorizing the filing of an application for funds with The Redevelopment Authority of Allegheny County.

Dr. Kincaid seconded the motion.

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

Mr. Palumbo made a motion to approve **Resolution No. 2011-054** authorizing an agreement with Langholtz Wilson Ellis, Inc. for the sale of the Old Public Works Garage at 12818 Frankstown Road.

Mr. Underwood seconded the motion.

Mickey O'Connor – 1095 Maple Avenue – Probably just a housekeeping issue here but I think we paid somebody to tear down the Public Works Garage. I don't think we should have a Resolution to sell the Public Works Garage. I think maybe you should reword this and say Public Works Garage Property.

Mayor DeLuca – yes, amend that. Joe and Gary are you o.k. with the wording.

Mr. Palumbo – yes.

Mr. Underwood – yes.

Mrs. Kuhn – If you can refresh my memory is this a new realtor that we are having because I know we had it listed prior to this or maybe Howard you can tell me when the Public Works Garage was there. Now that it is vacant is this a new realtor or is this the same realtor?

Howard – yes, I don't want to get anyone confused. Going back to the first one. We have had two. Langholtz Wilson was the first one and we are going back to them.

Mrs. Kuhn – have they given us any input as to whether the property will be more acceptable to the public or whomever being there is no building on there?

Howard – well my discussion with them was the same as we all felt that tearing down the old building should attract more people to the land, it was the land that had value in the first place not the building. The old building was a nuisance and something that might scare someone away that didn't want to deal with that nuisance so that is removed so I felt that Langholtz Wilson did a good job for us even though they didn't sell. I guarantee they did a much better job than Coldwell which was our second realtor. Longholtz Wilson I think you know their reputation. They are one of the largest, they are very competent whether they will be successful depends on a lot of variables including the price tag we put on it, the economy. By the way they are interested in and we do not have to say this evening a price tag. They want to know if you want to vary or lower or raise that price tag.

Mayor Deluca – What did we start off with Howard. Do you know?

Howard - \$250,000.00

Mrs. Kuhn – I see that they are at a 6% for their commission. I apologize I didn't read over it at any great length, is there a time on this, is it 6 months?

Howard – 6 months.

Mrs. Kuhn – And when and if this is passed tonight when are we going to decide on a figure. I mean shouldn't there have been a figure when we were given the Resolution. How do we go about then deciding what the figure is going to be?

Howard – I think just at one of your Executive Sessions if you just want to tell Moe.

Mrs. Kuhn – and then we will just go with it from there.

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

Mrs. Kuhn made a motion to adopt **Resolution No. 2011-055** authorizing a Change Order to Niando Construction, Inc. for Phase III 2011 Sanitary Sewer Repair Project in the amount of \$286,000.00

Dr. Kincaid seconded the motion.

Mickey O'Connor – 1095 Maple Avenue – In Mr. O'Grady's letter to Moe about this Change Order, on page two and he describes, Southern Avenue, is there a back charge to the Capital or Public Works for the 16 feet of 36 inch storm sewer on this Change Order or is the Sanitary Storm Fund going to carry that repair. That is all.

Moe – well the sanitary sewer collapsed in that area and caused the roadway to settle, is that what you are questioning?

Mickey – no, he said they put in 16 feet of 36 inch storm sewer. Now I realize it is all the same money but when you are transferring this much money for sewer money did you break out the cost or did the Contractor break out the cost for the storm sewer?

Moe – yes it was broken down, yes.

Mickey – but can you charge that to Public Works or Capital instead of to the sewer money?

Moe – I believe that is what happened at that time. Tom, is that correct?

Tom O’Grady –I am not sure if we did or not.

Rick Minsterman – That line was removed as a result to access the sewer lines.

Moe – right, it was on top of it. I am sorry. It was crossing the roadway. The sewer line was under the storm sewer.

Mickey – O.K.

Mrs. Kuhn – the original Contract for the work that was to be done Moe is \$573,600.00 am I correct?

Moe – that is correct, which was approved by Mayor & Council for that particular Project Phase III.

Mrs. Kuhn – correct, and then because of the collapsing of that sewer line which was a major project and that came in for a Change Order of \$286,000 which is what we are voting on tonight. Correct?

Mayor DeLuca – Well it is a bunch of them, right?

Moe – yes, there are multiple projects.

Mrs. Kuhn – so the second whereas here you have listed all of them but the change order that we are having tonight is a change order only because of the emergency repair. Is that Correct?

Moe – correct. Emergency work that had to be done.

Mrs. Kuhn – and the bulk of that was that situation that took place on Thompson Run, is that correct?

Moe – that is correct.

Mrs. Kuhn – so just for the audience, the total on this is \$859,600.00 which is a great amount of money when I know the residents get tired of the sewer problems that we have but this just goes to show you where that money is going when you pay that quarterly sewer charge and this is a large amount for several projects, I think there are 9 or 10 on here but with having an emergency like that is something that is unexpected and we are at close to \$900,000.00 for these projects and I think at this point in time at least Moe we are able to pay that and that is not borrowing any money, is that correct?

Moe – yes that is from all the available funds, it is paid for by the available sewer funds.

Mrs. Kuhn – thank you.

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

Mrs. Kuhn made a motion to approve **Resolution No. 2011-056** awarding a Contract to A. Folino Construction, Inc. for the 2011 CDBG Paving Project in the amount of \$152,778.95.

Dr. Kincaid seconded the motion.

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

Dr. Kincaid made a motion to approve **Resolution No. 2011-057** awarding a Contract to Sports and Recreation Associates, LLC for the 2011 CDBG Multi-Purpose Center Playground Improvements in the amount of \$62,156.00.

Mr. Underwood seconded the motion.

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

DISCUSSION SESSION

Howard Davidson – First thing I have on the Agenda is the Marcellus Shale Ordinance – I went back and revised the Ordinance based on our last discussion, I think I have taken care of the items that Council brought up last time. Mayor just brought up one particular point just this evening before the meeting started, he has some concern about the language in regard to requiring a Performance Bond and as I told him earlier I will take a closer look at that. The concern here if I have you right Mayor is that you want to make sure that bond is in place, current, not out of date, not expired while they are still out there doing work.

Mayor DeLuca – I was talking to a gentleman from Indiana County and he was telling me that some of the communities up there when they are drilling in the Winter time I guess they are using the roads and the Bond expires before they know the condition of the road when Spring hits so I just want to make sure if there is a Bond and we are covered.

Mayor DeLuca – Howard also under #11 where the Municipal Manager can ask the driller for emergency responders training, we have any year that drilling activities take place, I think it should be as long as the well is still active.

Howard Davidson – O.K. if you didn't notice, I did add Public Works and Volunteer Fire Department Personnel. So you want to cover as long as the well is producing. O.K. The highlight of the new Amendment is with the fee of \$200,000 I think that is what the Mayor wanted.

Mayor DeLuca – yes that is fine.

Howard Davidson – I put it there, our next step would be a Public Hearing ready for adoption. If you remember the jest of the Ordinance is no attempt to band Marcellus Shale from Penn Hills just an attempt to limit it to heavy industrial districts and regulate it as best we can under State Law.

Mayor DeLuca – also on the environmental clean-up if there is an accident we will make sure the Bond, you will check all of it, if we are going to mention Bond, as long as the well is active if they have to submit a Bond every year to the Municipality to cover the cost of the clean-up, we should have that.

Mr. Underwood – Are we still pursuing other Municipalities, what they have passed and possibly tighten this Resolution up a little bit more before it every gets to vote, just to inform the people, I want this tight as possible but given the latitude that they can come in and do the drilling.

Howard Davidson – To answer your question, I think we have investigated other Municipality Ordinances. I think we pushed our Ordinance past most of those with the exception being those Ordinances in those Communities that are boarding on abandoning and taking them on through the Courts. There is activity like that in South Fayette, City of Pittsburgh and Bonnie you might know some others, but we are not pushing it that far but I took a look at what I thought were the best ones and we came to you with those quite some time ago and we have been stepping those up since them. As far as I can see, we have avoided the areas where you can get in trouble with the State other than maybe pushing the fee too much. We will see. I will put together justification for that fee. I will put something together for that. It will involve things like hiring somebody locally to inspect DEP. Making sure DEP is enforcing their regulations. That sort of thing.

Mayor DeLuca – you are going to hold a Public Hearing on this?

Howard Davidson – yes I will schedule it.

CAPITAL PROGRAM

Howard Davidson – I put together a document which I feel meets the requirements of the charter, since we are at a work shop level here now, not a Public Hearing, I think most of you are familiar with the Capital Program, it is a policy statement, it will transcend into the Annual Capital Budget. If you look into the first two years you are looking at real money. If you look into later years, the last four years you are looking at the wish list category. Most of the new lines in there and the new money amounts are the State Grants that we got through DeLuca's Office or Grants from CITF or their agencies. There is no new local money in there unless you tell me there is some around somewhere that I can put in there. I think the main thing I would need in terms of input from Council would be if there is something in there that you don't like, if you want me to take it out or you have a project in mind that is not in there and you would like to see it even if it is in the wish list category in later years. My memo said it is your policy statement and I will follow your direction for saying something that you don't want to say if we have a project listed that you don't like or if you want to add one let us know, it could be a phone call, or you could tell me right now. Our normal process would take us to the Planning Commission at their next meeting. They will tell you whatever they want to tell you and then we will schedule a Public Hearing, as a Public Hearing only, in October and adoption in November.

Mr. Kuhn – I have one question, under the Recreation, you have for 2012 that is not real money. The Duff Shelter Restroom.

Howard Davidson – no that is real money.

Mrs. Kuhn – that is real money? 2012?

Howard Davidson – that is one of the most recent Grants. That is a portion of one of the most recent Grants.

Mrs. Kuhn – did we not get some kind of memo that was talking about maybe closing down the restroom in Duff Park because of the vandalism and the problems there?

Mr. Rayan – that is correct. We thought to eliminate some of these problems since it is going to be an expensive repair over \$15,000.00 we thought we would just eliminate the bathrooms, but now the Grant we scored on the money so we would keep it open.

Mrs. Kuhn – So the Grant is just for that use?

Moe Rayan – that is correct.

Howard Davidson – next we have a guest speaker. Natalie as you know presented the Energy Savers Incorporated Program for the Municipal Buildings and you entered into an agreement with her and she can tell more about the good rate she found for us and signed us for it and she is here this evening to talk about what she can do for our homeowners.

Natalie – Good Evening.

Mayor DeLuca – Good Evening.

Natalie - As Howard mentioned we did set up the Electricity Program for your commercial buildings. I believe it was last week or so. We got a really good rate. We got about 6.18 cents for your commercial buildings – a savings about \$89,000 to about \$113,000 a year is what you will yield in your electricity savings and then when the two years is up we will take a look at it and see how we did and either we can keep you with the same supplier or we will look at renewal and take you out again to bid with all of our suppliers to get the best rate at that time. Howard asked me to come here tonight to talk about another program that we offer to Municipalities and it is our Electricity Residential Program. We only offer this as a private offering to the Municipalities that we work with because we worked with our supplier on a very good rate for our homeowners and the rate is the lowest that is available on the Duquesne Light System and this is for Duquesne Light Customers only. If you go out to the PA Power Switch or you have changed your own home electricity supplier you may be aware it lists all the different suppliers and rates that are available. I have packets that I didn't get a chance to pass out yet but it is in the packet information. The rate that we are offering homeowners is 7.17 cents per kwh, the PA Power Switch offering is the lowest available that is out there it is 7.18 cents per kwh. The offering that we have made available to the Municipalities that we work with is the lowest rate that is available and we are actually not listed on the PA Power Switch. The supplier that we are using are 7.18 cents but because it is a private offering it is not listed on the PA Power Switch so the only way the homeowners can find out about it is through the Municipalities and we have worked with several Municipalities that have found it to be successful and what we do is a template, it is a letter that is sent out with the offering and there is also a coupon because so many people can't go on line to enroll. They either don't know how to use a computer or they don't have a computer. We also offer a coupon that they can fill out and they can send back and we will enroll them and basically the letter tells them about the program that it comes from Penn Hills Municipality and would have your letterhead on it. It kind of makes it more legitimate like you have done your homework, where we have said and advised that it is the best offering that is available. A lot of Municipalities have done it. They have also put it in their newsletters and on their website or put a link on their website to our website for the enrollment. There are a couple of different options there. We have about 4,000 to 5,000 homeowners that are in this that are showing in an excess of

\$1,000,000.00 annually already that have signed up for the program. So, I just wanted to make you aware since it is not publicized and we don't do any direct mailings to homeowners on it so I just wanted to talk to you about that.

Mayor DeLuca – Howard are you going to get this information like the letters out to the Library, etc.?

Howard Davidson – I have one question right away for Natalie - are you going to mail these letters right?

Natalie – I can give out the packets now.

Howard Davidson – You will bear the mailing cost for the Municipality?

Natalie – Oh wait, I am sorry. For the mailing that will go to your residents we would be responsible for the mailing so you would bear no cost we would send the mailing out for you.

Howard – do you need a Resolution and an Agreement from Council?

Natalie – all we really need - we just need your approval to really do it and then what we need is a mailing list because we do not have a Penn Hills Residents' mailing list.

Howard – A Resolution was awarded earlier to cooperate in Energy Savings Program. We already have a Resolution. There is no money involved here. Correct?

Natalie – no it is just savings to your residents.

Howard – no money for us to spend. I think she just needs to feel comfortable with it and tell her to go ahead.

Mayor DeLuca – you are saying that is the cheapest rate available?

Natalie – Yes it is. I can show you. I have the print out on the PA Power Switch. It is for a two year term so it is a lock in for 24 months so they are guaranteed that rate for 24 months. The current rate on Duquesne Light's Tariff right now is 9.33 cents so when you compare if you are paying Tariff Rate at 9.33 cents this 7.17 cents it is almost 23% off what they are currently paying.

Mrs. Kuhn – I do know that because of so many people involved, that there are phone calls because I know myself I am getting phone calls at my home. If you are a Duquesne Light user you can save money on this and with it going out on our letterhead then we are in fact stating to our residents that we have looked into this and based on what we have looked into this is the best rate

for them. I just want to make sure that we are sure that this is the best rate for them being that it is coming from Penn Hills with our letterhead. So you are guaranteeing that because of the fact most people when they see this they are going to take this because it is on Penn Hills Letterhead and I don't want them to be making this decision based on the fact that Penn Hills is backing this so you are telling us that you have researched this to the extent and this rate would be the lowest rate for the residents?

Natalie – yes as far as I know unless someone comes in tomorrow and says they have a better rate. What I printed out was from the PA Power Switch today which is online and those are the offers that are going out to the homeowners.

Mrs. Kuhn – O.K. so the PA Power Switch that is the information?

Natalie – that is the information. If anyone wants to switch that is where they are guided to and you will see there are numerous suppliers that are on there, those are what their current rates are at.

Mayor DeLuca – let me ask you this – Tri Eagle is going to offer our residents 7.17 cents and I guess on the PA Power Switch they are a little bit higher.

Natalie – they are at 7.18 cents right now. We negotiated a better rate for them.

Mrs. Kuhn – and the letter will tell them that they are not obligated?

Natalie – yes the letter says it is completely optional and we take all the customer service calls too so we put our number in there, we get flooded with all kinds of calls.

Mrs. Kuhn – so Moe your office isn't going to be getting the calls.

Natalie – or if you do just send them to us.

Mayor DeLuca – do you need a decision tonight?

Natalie – No you can let me know. It is ready to go because we have done the program in many other Municipalities so we would give you your own web-page that the residents can use and the letter is pretty much ready to go. We would just need the letterhead and the mailing list and it is ready to go. O.K.

Mayor DeLuca – o.k. thank you.

PUBLIC COMMENT

Pete Nychis, Council for Mr. Joseph D'Andrea. What I expected tonight was to at least have a courtesy of receiving an answer from Council. We had addressed the various issues that were certainly within Mr. D'Andrea's control. We did what we could on our part and I understand there were a couple lingering issues that were being discussed between Penn Hills and Penn Dot. There were several issues there with respect to Storm Water Maintenance. The last offer which I communicated to the Manager was that Mr. D'Andrea was willing to make a \$25,000.00 contribution to future maintenance on the storm water. The other was a legal issue that has to be addressed between Penn Hills through your Solicitor with the Council for Penn Dot. I don't know where that is today but we thought we had based on our discussions settle some sort of a format and timetable to try and get these done. What I am saying is I did what I could within my power to resolve issues that were within our control and I understood that there was going to be some discussion on these issues and have some resolution tonight simply because there is a deadline that is lingering if we are to do the project. Penn Hills really is committed to doing this project. There was a deadline and that was Friday and I understand through discussion that may be held over a few days but because of the paving schedule in order to get this project done as far as the road work and then coordinate that with the installation of the traffic light at Maple Lane and Rodi Road there had to be some sort of an authorization from Penn Hills with respect to whether you are going to execute the Contribution Agreement with Penn Dot or not and whether there was a Resolution on the Storm Water Maintenance again although Mr. D'Andrea is not the person who is responsible because of this policy that Penn Dot adopted almost at the end of the last administration in June of 2010 which shifted responsibility from the state highways to the municipality being the highway occupancy permit applicant in this case and in other cases but never the less acting in good faith and try to be helpful to move this along and try to get this done because it is a very important project for the citizens of Penn Hills, actually it is a regional importance because you have Vocollect with 400 employees nineteen of whom are Penn Hill's residents that may and there is a good possibility that may move and move not only from here but to another state if we don't get a traffic light to fix the dangerous situation at that intersection. So again, I would ask Council to consider this very strongly. I was disappointed this was not on the Agenda because I thought it should have been and so important it should have been. I am respectfully asking for your consideration don't let this die from inaction, please consider it, please give the authorization to your Council to execute the Contribution Agreement and again I would illiterate that Mr. D'Andrea is willing to give \$25,000.00 to Penn Hills for future maintenance. I would expect on my discussions with our engineer you are not going to need any maintenance if any for at least 20 years and we have done our math on that and probably you are not going to need that money for the next 40 years if any. There aren't any problems at that location, not any flooding problems Mr. Mayor and Council and at the Sunoco never having any history of problems down

there, so again I ask you, I humbly ask you to please don't let this die and take this up tonight and give whatever authorization is needed. Please discuss it in Executive Council Session and if you need further discussions I am here to assist in any way that I can and again I thank you for all of your consideration in considering this project which again is very important regionally and you saw all the various officials who have been involved, the County, the Governor's Office and Senator Costa trying to make this project work. Thank you for your time Mr. Mayor and members of Council.

Mayor DeLuca – thank you.

Mrs. Kuhn – when did Mayor and Council approve the Resolution for the Traffic Red Light?

Moe Rayan – I believe last year.

Mrs. Kuhn – so that would have been some time in 2010. So Penn Hills Municipality has not held up the red light because that Resolution was approved by Penn Hills Municipality which was what Vocollect had wanted because of the fact that they needed the red light for the safety and what have you. So that was approved in 2010 so I have never been clear in my mind why the red light has not been put in place since Mayor and Council has approved it in 2010 and this new policy that has come into place with Penn Dot really didn't come into being until June 2011 is that correct?

Moe Rayan – it was earlier than June 2011 when we met with Mr. Nychis and Mr. D'Andrea and folks from different agencies.

Mrs. Kuhn – what I am getting to Moe is the policy that we are questioning now about the state road that came into effect approximately June 2011 so the red light could have been put in from whenever we approved it back in 2010 so that is not what has held up the red light, is that right?

Moe Rayan – no Mrs. Kuhn we are not holding anything up. That proposal that Mr. Nychis is offering this evening was during a telephone conversation with him mid-afternoon on Friday and subsequent to that I received an e-mail and then I put it in your packets in Friday's mail. That is how this whole thing came about. It is not like we are sitting on this proposal for two, three months that was just Friday, the 16th.

Mr. Nychis – With respect to the storm water issue it is true that this project had been approved at least to move ahead however, Penn Dot's policy was adopted in June of 2010 and what they are saying is that it applied to pending HOP Highway Occupancy Permit Applications and also those that had been approved. The problem that comes up now is that the HOP the application has been filed with Penn Dot, this policy that took effect applied to all applications

pending and also new applications and that is where we are now. So the permit had not been approved it still hasn't been approved to move ahead and it is pending and the June 2010 policy that was adopted by Penn Dot applies here simply because it is a pending application.

Mayor DeLuca – I don't think Mrs. Kuhn was questioning why it took so long from last year when we got the money from the County \$200,000 to like a whole year because your statement was we are holding this project up. We are not holding this project up we know that Penn Dot required this catch basin to be maintained by Penn Hills and that is not what she is asking from when we approved the light back last year when we got the \$200,000 for the light why did it take so long for anything to happen. Maybe the developer was waiting for Penn Dot to take over the project. I don't know, that is what her question is. We understand about the catch basin and Penn Dots policy change and that was not her question, her question was from the time we approved, got the money from the county for the light we are looking at a whole year and then all of a sudden everything changed, that was her question.

Mr. Nychis – everything did not change. Everybody was working and trying to get the specifications and what have you there were issues that were trying to be resolved. We attempted and we discovered after this plan was hatched that Penn Dot was scheduled to do this project in the same area and Penn Dot and Penn Hills was notified of that to approach to see if Penn Dot can incorporate this project into their general project for this area and it took a while to get approved but none the less it has been approved, now whatever happened we are where we are. The point is all we need is Penn Hills to sign a Contribution Agreement with Penn Dot which they require in order to proceed and that is basically it and this project can start immediately.

Mayor DeLuca – like I said we know the issues Pete and the legal issue we are going to discuss but we will get you an answer.

Mr. Nychis – Again, thank you Mr. Mayor. I understand about complaints, about delays but it can get done and we are where we are and all that is needed is an authorization by Penn Hills to go ahead and execute the Contribution Agreement with Penn Dot which they require to proceed and this project can start tomorrow. Thank you again.

Mayor DeLuca – thank you.

Mayor DeLuca – thank you. We are now going to go into an Executive Session to discuss personnel and real estate issues.

ADJOURNMENT

Mayor DeLuca entertained motion to adjourn.

Dr. Kincaid made a motion to adjourn.

Mr. Underwood seconded the motion

Meeting adjourned at 8:46 P.M.

MAUREEN M. SORCE
MANAGER'S SECRETARY

DATE