

OCTOBER 19, 2015 COUNCIL MEETING MINUTES

The October 19, 2015 Council Meeting was called to order at 7:38 P.M. in Council Chambers at the Municipal Building.

APPROVAL OF AGENDA ITEMS

Mayor DeLuca – Good evening we are going to amend the Agenda, we have Gwen’s Girls here they are going to speak about Foster Care and then we have a resident Dalili Hall she is going to speak before Council. The rest of the Agenda will stand as presented. Will you please stand for the Pledge of Allegiance?

ROLL CALL

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

Also present were Manager Rayan, Secretary Scaglione, Finance Director Schrecengost, Planning Director Blackwell and Solicitor Alexander.

CITIZENS TO ADDRESS COUNCIL

Michele Hughes - Gwen’s Girls – Good Evening and thank you Mayor Deluca for allowing me to come and to speak and give you some information about Gwen’s Girls. I will give you a brief background of our founder who was the late Commander Gwen Elliott. She was a Pittsburgh Police Commander and during her tenor on the Pittsburgh Police Force she recognized the need for services for girls. The majority of her career she was working with families and young adults and upon retiring she founded Gwen’s Girls. So I know that you met with our Director of Foster Care, Cynthia Lockett as well as Michele Hughes a few weeks ago to tell you about our main service that I am

talking about today on Foster Care but we do have another program that is also in your community that I think that you would want to be aware of. So specifically foster care and the reason why we are here in Penn Hills to just make you aware of us being in the Community and the need and we have been working closely with DHS, Allegheny County and there is a large population of children that are removed from the home and specifically from Penn Hills they have done all of the assessments and demographics and Penn Hills is one of the areas that has been identified as needing additional support. So what we do at Gwen's Girls is we are looking to recruit families to take the kids in because the idea is that we want to have them remain in the Community because they remain in the same school district and be around their friends and there is not as much disruption or trauma as opposed to putting them in a home in a different Community. The other program that we have is our after school program. We have three sites. Our main site is on the North Side and that is where our Administration Offices are but we recently moved our program that was in Wilksburg up into the Lincoln Park Community Center which is on the border of Penn Hills and it allows us to be able to service girls from Penn Hills, Homewood, the East End because we do provide transportation to the site. We operate Monday thru Friday usually the girls get there around 4:00 and they stay until around 7:00 – 7:30 and we provide a variety of different programming around the social development but also education, case management, mental health that comprehensive approach that we know is necessary to try to help our girls heal and grow and to be productive members of society. So back to specifically the Foster Care we appreciate your help and helping us to market to get our information out so that we can again increase the level of families that we have in the community so in the near future you will see banners as well as posters and different pieces of literature about the need for Foster Care parents to take our kids in and the other thing is that our focus is on girls with the other program but our Foster Care actually takes both boys and girls from birth to 18 years old. So again thank you for the opportunity to come and speak before you and please remember if there are any families in need that have girls or children that need our support you have gotten our information of all the range of services that we provide that we are here to serve. Thank you.

Mayor DeLuca – No problem and like I said before because I know we talked about a banner across Frankstown Road so if you need our help we can talk to the School District because you would like to get that up by November 1st is when this all takes place.

Michelle Hughes – we actually are in the process of getting it printed out and so we appreciate your support in that. So thank you and have a good evening.

Mayor DeLuca – alright you too.

Dalili Hall – 102 Urban Drive, Good evening I am Dalili. I spoke to you before the summer break and we are back. First I would like to say I appreciate how the Blackadore Park was taken care of and it looked really nice after we had a conversation and I am not sure if it was because of my request but it was cleaned up maybe two weeks after we had our conversation so we appreciate that. I am here on behalf of our neighbors from Urban, Aber, Mt. Carmel, Suncrest and Grove Road. We have experienced a lot of changes in our dynamic in our neighborhood so there are four things that we would like to see if could have some change or some conversation about some change. 1 is dealing with the car break-ins and home break-ins and how is that going to be addressed and how can it be addressed that it decreases or how can we help to prevent those things from happening in lieu of just locking our doors because we have had conversations when we have had some cars that were locked that were broken into. At first it was because they were unlocked and it was by chance but as we began to talk amongst each other we figured out there is over twenty break-ins and they weren't really breaking the windows or damaging the property of the car but just getting in but we are not sure of their method but we have had substantial rise in car break-ins and for my particular home, my mother's home

Mayor DeLuca – let me ask you real quick the car break-ins, late at night, during the day?

Dalili Hall – it seems like it is between two and four in the morning in that early morning time. So you are waking up to it because there is just stuff all over your driveway. They are not taking credit cards or important documents they are looking for change, money except for the house break-in they did take one of our elders' wedding ring and stuff like that but not a whole lot of big things. So that is one of the concerns. The other is how can we address the increasing drug traffic that we have all noticed in different parts of the area and if there is something that we can do in lieu of just calling and reporting. But by the time you get it addressed they are gone like you will see it happen and like while that was fast they are gone.

Mayor DeLuca – Penn Hills Police we have a new web-site and you can put tips in there anonymous tips if you see something if you can make a license plate number out or the make of the car so the police know who is coming into the neighborhood. What we did was we did increase the narcotics squad so we have three officers up there and they are making the buys.

Dalili Hall – o.k. that is good to know.

Mayor DeLuca – if you can get onto the Police Web-Site it is loaded with a bunch of information but you can also put anonymous tips in there too.

Dalili Hall – o.k. that is good to know. And the progress on vacant properties and owner responsibility we wanted to know what was that progress and if we were making progress on having owner accountability to maintain their properties.

Mayor DeLuca – Code has been around and they have been posting houses for different things so Code has been around. If you can give me the addresses I can make sure

Dalili Hall – I think it is on the back of the second page and there is a couple of them that I couldn't make out the address but I do have the road name.

Mayor DeLuca – I will talk to Code tomorrow and if you can give me your phone number I can let you know where we are with that but I know there are couple different properties they are just waiting for hearing dates before the Magistrate.

Dalili Hall – o.k. that sounds good. Is there a program in place where laborers can actually be informed and we can maybe purchase properties and rehab them something just to keep the value up so they are just not sitting?

Mayor Deluca – is it just vacant is no one living there?

Dalili Hall – all of those are vacant. So I didn't write down the list of those who were occupied by someone those are just the vacant ones.

Mayor Deluca – I think what we have to do is get a hold of the school district and see where they are at with their taxes and I know one of my ideas was if we know it has been that they are delinquent on their taxes if we could put it up on our web site and if we get people interested in buying it or they want to flip the house then we know what houses to bid because I do know through when we were having meetings about blight when the school district does a sheriff sale on a house after the second sheriff sale Maiello shelves the property and then it just sits there because we have a piece of property on Jefferson Road that we shelved and finally we got the school district because we have a contractor interested in flipping it and that is how we were able to

Dalili Hall – so when you say shelved they no longer pay attention to it is that what that means?

Mayor DeLuca – yes, pretty much and I have been asking for a list of houses that are shelved in Penn Hills so we can get them back on the tax list.

Dalili Hall – absolutely so that would be beneficial and maybe neighbors would like to purchase.

Mayor DeLuca – actually I ran into a gentlemen and he gave me two houses that he is interested in so we are looking into that.

Dalili Hall – o.k. last unless I am missing anything, Corporate purchases. We have experienced Corporate purchases not that we are against rental property but it is increasing the number of rental property and then the number of transient in and out, in and out so we don't really know who is our direct neighbor or who is in the neighborhood because it is rotating so quickly. Is there a way that we can monitor that or is that something that is not suppose to be done?

Mayor DeLuca – are you talking about they are turning the homes into rental?

Dalili Hall – in Penn Hills they have flipped over tenants like year after year. Like I know for my neighborhood for three years it has been two tenants and she is about to move again.

Mayor DeLuca – the new Ordinance should take care of that. If it is a corporate purchase if they don't live within fifteen miles of the borders of Penn Hills they have to hire a manager to maintain that property so we do have that Ordinance in place.

Dalili Hall – so would we be made aware as neighbors who are the corporate purchasers or the managers?

Mayor DeLuca – the Ordinance just went into effect I know they are trying right now to get all that information out.

Dalili Hall – so we will come back to another meeting to have that discussion.

Mayor DeLuca – we will get you that information.

Dalili Hall – o.k.

Gary Henderson – I was here before when you tore down the house next to me. I have been taking care of that property and I called Code and never got a response because I feel that they could at least reimburse me for something, my gas, labor or something but if you look at the property at 7837 Thon and maybe you can see what could be done or should somebody be taking care of it.

Mayor DeLuca – no if we tore down a house the property remains with whoever was the owner at the time so it stays in that owner's name. What we do have where we wipe the taxes off if the neighborhood is interested in taking care of the property?

Chris Blackwell – Allegheny County has a Vacant Property Recovery Program that also goes to these homes that are vacant if they are three years tax delinquent that will also work a single family home but you would have to pay the assessed value of the property now often times the County has deals which just ended September 31st where they will have funding so what happens is you pay like \$1,500.00 instead if you sheriff sale a property it may cost you as much as \$4,000.00 to initiate a sheriff sale but if you go through the Vacant Property Recovery Program it could be half that but we are still talking some money and you own it

Gary Henderson – no I don't own it.

Chris Blackwell – well I know but I am saying the point is that you will own it and you will maintain it as far as us maintaining we tear down as many as ten homes a year and a vacant property can grow to be woods again.

Gary Henderson – so they don't care.

Chris Blackwell – it is not that we don't care but you can imagine where the Municipality cannot maintain hundreds of vacant single family lots. It is not possible. If you go down Allegheny River Blvd. and that is all woods somebody owns that.

Gary Henderson – but this in our neighborhood and we are trying to upkeep it.

Chris Blackwell – I understand that.

Dalili Hall – In regards to a Corporate Purchase does that apply to private purchasers that have multiple homes?

Mayor DeLuca – yes if they do not live within fifteen miles then they have to do the same.

Dalili Hall – same thing applies.

Mayor Deluca – yes.

Dalili Hall – and I believe that will be it. Oh last question are we entertaining or have you ever entertained cameras on poles to try to catch some of these activities that are going on in the neighborhoods.

Mayor DeLuca – yes we talked about it and we are trying to get funding for some of those cameras and hopefully that would deter people from coming in but I forget what they call it take a picture of their plates as they are driving past and in order for the police department who is coming in and if that plate has warrants out against it. We are trying to get funding for that.

Dalili Hall – o.k. then it would be detected. You can let the Chief know that anywhere in this neighborhood they can park anytime if they would like my corner is a busy corner, they are running stop signs all day and all night and you can park there all day if you like and you can use my driveway because that is where a lot of traffic goes on. I think it is getting a little dangerous for me to keep knocking on the windows but that is what I have been doing.

Craig Alexander – just to follow up on that issue with the cameras the District Attorney’s Office, Steven Zapalla’s office actually does try to fund those cameras for local Municipalities and the Mayor has been attempting to get that through the District Attorney’s office to bring it to Penn Hills. We have been working very diligent to make that happen.

Dalili Hall – how can we help, that was the question, and how can we help? Is there a way we can help you all?

Craig Alexander – I think it is between the administration and the funding sources.

Mayor DeLuca – maybe like write a petition and we can hand that in to Mr. Zapalla’s office. I am going to talk to the Chief about where you live and have him increase the patrols especially between two and four so they can catch someone up there.

Dalili Hall – that would be great.

Mr. Palumbo – also if you see tenants moving in and out what you can do is you can call Code and say that somebody else moved in there and you want to know if they got an occupancy permit before they let those people move in. That way Code goes out there and checks the place out and makes sure it is in good condition for those people to move in.

Moe Rayan – make sure you call 911 regardless what time of day and regardless how many times you have to do it just make sure you call 911. That is why we have 911. Just keep calling eventually they will get caught.

Mayor DeLuca – that is the problem with today’s technology and cell phones they are so quick if we bring a police car up there to sit then they are texting on their cell phone but what I can tell you is our narcotic guys are out there and they are making two buys and then busting them.

Dalili Hall – just knowing that something is in progress that is good. We have an aging community and we would like to sit on our porches and not feel like we are prisoners and stay in our house we like to come outside too. Thank you.

Mayor DeLuca – give me your phone number and I can call you and tell you where Code is with those addresses.

EXPENDITURES

Mr. Palumbo made a motion to approve the Expenditures of October 19, 2015, Journal Vouchers 1, \$3,021,529.00, C.D. Requisitions, 10 - \$298,164.84, Master – 32393 – 32539 - \$1,904,076.45 making a grand total of \$5,223,770.29.

Mr. Underwood seconded the motion.

There being no further discussion the motion was approved by a 3-0 vote.

ORDINANCE

Mr. Underwood made a motion to approve Ordinance No. 2015-2577 authorizing the incurring of nonelectorial debt for the purpose of providing funds for a refunding project and financing certain capital improvements, by the issuance of General Obligation Bonds in the aggregate principal amount not to exceed \$11,000,000.00; finding a sale by negotiation to be in the best interest of the Municipality; covenanting to pay debt service; pledging full faith, credit and taxing power for the payment of the bonds; appointing a paying agent, registrar and sinking fund depository; establishing a sinking fund; appropriating the bond proceeds; accepting a proposal; ratifying prior advertisement and directing further advertisement; authorizing the payment of expenses; ratifying the preliminary official statement; authorizing the opening of a clearing fund; adopting a form of bond; authorizing the execution and delivery of a disclosure agreement; and repealing inconsistent Ordinances.

Mr. Palumbo seconded the motion.

Mayor DeLuca – and before I open it up for questions I would just like to say this is a refinancing of our existing debt. I got a phone call because they read something on social media today that we were floating bonds for a new Municipal Building but I just want to assure the public this is just a refinancing. We are going from a higher interest rate to a lower interest rate. Like I said this was discussed at the September 21st meeting. Chris if you want to give a brief breakdown for the public before we open it up for questions.

Chris Shelby – yes it will just take a second. I know again like you said I am Chris Shelby with Piper Jaffray and handling the transaction. As you said Mayor it is just a very straight forward refunding just like somebody with their home mortgage if they had a 6% mortgage and the bank said that we could do that at 3-1/2% you are going to probably do it and save money. Exactly the same situation as with this Bond Issue. This is a Bond Issue that was issued in 2010 and it is can be redeemed and called out of the market anytime after December 1st of this year. So the timing is perfect in conjunction with that is we are experiencing once again just historically low interest rates. It is an opportune time. With that there is nothing else going on in this Bond Issue other than I would like to update you. I know back on September 21st we were looking at net savings to the Municipality of approximately \$340,000.00 net and that would be net dollars pure net savings and again to repeat the Bond Issue will have identical debt service on a yearly basis as the bonds that are currently outstanding and it will be over the same identical period so nothing from the footprint of the Bond Issue and the related debt service is going to change. What you are doing you are extracting the savings through the interest rate benefit or reduction as cash and by extracting it as cash that means that those funds can be used to go into your sewer system and there is an expenditure period of approximately three years in which those funds will be expended. So the last two things I would let you know since that meeting is the Municipality has received we have gone through the complete credit rating process again with Standard and Poor's you have gone through

a total review with Moe Rayan and Ed Schrecengost and all the efforts that went into getting all the credit information to Standard and Poor's and you have been confirmed a AA- rating and after that in parenthesis you definitely want to see the word stable and it is that so your rating is actually AA- Stable. That is a significant rating. There are a lot of people that would love to be in the AA category throughout the Commonwealth and they aren't and I am not just saying that for anyone to feel too good about it but you deserve to feel pretty good about it because when you reach and get into the AA Category that means that you have really done the job. Standard and Poor's does not give AA to anybody easily but in addition to that they also said stable meaning if you were to get a rating change in the future if anything with a stable it is most likely to go up not down so that is all good. Last thing is we have to close this Bond Issue this year. It will close in early December. We would be putting the Bonds after your approval tonight approving the debt Ordinance and it will go into the market next week and we will have savings that we will bring and with the authority of the Mayor and whomever is authorized in the Bond Ordinance to approve the Bond Issue those savings no Bond Issue will take place until it has been reviewed and approved so even though you are asking to agree to that tonight it will still be subject to the approval before it is done. The savings have gone up since I last talked to you. We continue in this crazy market that has sent the ten year treasury to around 2% when it was around 2.8% nobody thought it would see 2.5% again and now we are almost down to 2% so you are just in a terribly unique period and it is that global economy struggling and that going on in China and everywhere else has just created this atmosphere of investing in America and dropping our interest rates because everyone wants our debt. With that like I said in the beginning we are about \$340,000.00 net cash now we are exceeding \$400,000.00 and I would rather not just say exactly how much but I think if we could get this thing into the market next week and just stabilize where they are now we will see something over \$400,000.00 and that is net cash to the Municipality. I am open up for any questions.

Mayor DeLuca – in addition to last time the present value savings from cash flow of \$5,800 will that remain the same or

Chris Shelby – no that changes every time you run it right now the cash flow savings they are always going to change because they just do but right now they are at \$1,700 but the cash savings are again right now pretty much in excess of \$400,000.00 pushing \$450,000.00 range.

Mayor DeLuca – thanks Chris.

Mr. Palumbo – yes what I want to say about the refinancing of these bonds we have done this in the past also and we have people out there that are telling us that we are refinancing bonds this is just for the public’s knowledge when we do this the cash flow back to us as Mr. Shelby has said we have put this back into the sewer fund and the last bond that we did the total amount was \$2,000,000.00 that we were able to invest back into the sewer funds so the money works for us when we do this so the public needs to know that when we refinance bonds just like you said when you refinance your house and you have six percent and you can lower it down to three percent what a savings that is cash flow in your house and you could do all the repairs that you want to make. Well we are doing the same thing here. We are not extending the length of the bonds and in some case one bond was due to go up in the middle of 2015 I think it was going to mean maybe possible tax height so we were able to stabilize that in the same amount of period of time but the interest rate was lower so we were able to cash back for that bond and put it into the sewer fund just like I said.

Chris Shelby – right these are found dollars that go back into the system that if they didn’t come out of the savings of this Bond Issue and ultimately those repairs are needed you would have to go somewhere else and find that money and borrow it. So this is just a wonderful time to take advantage of the interest rates and the market. I will turn it over to Patrick Healy if I may he has been acting as Bond Counsel and he might just have something to say about the Ordinance or are you good to go?

Patrick Healy – Bond Counsel – you have seen this type of Ordinance before it is very similar to the ones you have done before with your prior refinancing it just authorizes the issuance of the bonds up to the number given in the Ordinance it will come in under \$10,000,000.00 but this last flexibility for Chris’s outfit to mix and match the maturity so that it works best for the Municipality at the end of the day. So I would be happy to entertain any questions. Also it is pretty straight forward.

There being no further discussion the motion was approved by a 3-0 vote.

REPORTS

Mr. Palumbo – We got a letter in our packet for Public Works, To Whom It May Concern, we want to say thank you they have just completed a repair on our street Ford Avenue. My husband and I were blown away by the work they did. They exceeded our expectations greatly and the letter goes on to say thank you. Our road department they are out there doing everything, they are doing the roads they are doing pot holes, sewer lines and they are saving us a lot of money out there so make sure that they get this Moe.

Mayor DeLuca – our Police Department they do a fantastic job for us. We had a patrolman on October 11th there was a house fire on Azalea Drive and the police officer was first on the scene and he made sure and went in there to make sure no one was in the house fire and he did locate an 87 year old woman that was living there and he carried her out to safety so I do want to recognize what a great job this police officer has done and make sure Moe you get that to the Chief. Also I was reading an article in the Post Gazette and it was about Penn Hills and it was titled Why does Penn Hills attract the highest number of home buyers in Allegheny County and the article just went on to state that in Allegheny County Penn Hills was number one in the number of home sales in Allegheny County and I think Mount Lebanon was second, and the reason why is because a lot of people recognize what a lot of people in this room recognize is that Penn Hills has a great housing stock for the price that you pay for a house here.

So it was a good article to see in the post gazette so if you have some free time make sure you read it. With that we will go into Executive Session for Personnel Litigation Matters.

ADJOURNMENT

Mayor Deluca entertained a motion to adjourn.

Mr. Underwood made a motion to adjourn.

Mr. Palumbo seconded the motion.

The meeting was adjourned at 8:13 P.M.

DATE

**MAUREEN M. SORCE
MANAGER'S SECRETARY**