BETHLEHEM CITY COUNCIL MEETING

East Hills Middle School 2005 Chester Road Bethlehem, Pennsylvania Tuesday, November 1, 2016 – 7:00 PM

INVOCATION

Reverend Dr. Lloyd Steffen, Lehigh University Chaplain, offered the invocation which was followed by the pledge to the flag.

PLEDGE TO THE FLAG

1. ROLL CALL

President Reynolds called the meeting to order. Present were Bryan G. Callahan, Michael G. Colón, Eric R. Evans, Shawn M. Martell, Olga Negrón-Dipiní, Adam Waldron and J. William Reynolds, 7.

Bethlehem Area School District Appreciation

President Reynolds extended thanks and appreciation on behalf of the Members of City Council to the Bethlehem Area School District and Superintendent Joseph Roy for graciously allowing the City Council Meeting to take place at East Hills Middle School. He also thanked Principal Horvath for sharing the use of this school as well as Mark Stein, Chief Facilities & Operations Officer who coordinated on all the logistics with the school personnel and maintenance crew to make this meeting location possible. President Reynolds added he would also like to thank Ms. Kelchner, Mr. Vidoni and Ms. Kelchava as well for all their assistance.

2. APPROVAL OF MINUTES

The Minutes of October 18, 2016 were approved.

3. PUBLIC COMMENT (on any subject not being voted on this evening - 5 minute time limit)

Police Personal Cameras/Runner's World/Host Fee

Dana Grubb, 2420 Henderson Place, advised he read in the newspaper recently about the City's Capital Plan including funding for personal cameras and new cameras for the cruisers for the Police vehicles. He recommended giving the Police whatever they need. Mr. Grubb continued and spoke about the Runner's World event. He noted that he heard from many people that they were very inconvenienced by this event in Bethlehem. While he thinks these events are a plus for the City the anecdotal that it brings business does not cut it when someone cannot get out of their street to get to work in the morning. He thinks it would be a good idea at some point to have an economic impact analysis done that would quantify what the benefit is to bring an event like this to Bethlehem. Mr. Grubb explained that a financial analysis of the costs, what revenue was generated directly back to the City by the event, not at the hotels or businesses, would be beneficial for the taxpayers. He expressed that there seems to be a lot of money for certain things and not enough money for City services. Mr. Grubb noted that we have become a festival City, and it is a huge diversion of limited City resources that could be better spent on the full time residents of Bethlehem. He thinks that is something else City Council should be asking for. Mr. Grubb remarked the third thing he wanted to bring up is the issue with the Casino Host Fee. He remarked he does hope the matter is resolved, but quantifying it as 100 Police Officers does not serve the public well. It might be 100 City employees; that is a little less fear mongering. We all know that 100 Police Officers would not be cut, but if that happens, the cuts will have to come.

Public Comment Rules/Recycling Center

Bill Scheirer, 1890 Eaton Avenue, congratulated Council on trying to bring City Council Meetings to the public in other venues. Mr. Scheirer also mentioned the new rules for Public Comment are good as far as they go, but one thing has been lost. If someone has a salient comment to make at the end of a meeting about something that transpired during the meeting, they have to now wait until the next meeting to comment. He then mentioned the dumpster at the

Recycling Center that is labeled Hard Cover Books. He highlighted on the end of the dumpster there is a big sign that says "No scrounging". He happens to know of two people who do commit occasional acts of civil disobedience and look inside the dumpster and if they can reach a worthwhile book they do so and sometimes take it to the Bethlehem Library where it gets sold for at least a dollar. He imagines that is more that the City would be getting when it is turned into pulp. Mr. Scheirer informed some of the books that have been retrieved include a brand new hard cover edition of the Webster's Collegiate American Dictionary, Henry Kissinger's 800 page History of Diplomacy and also in almost new brand condition and a clean copy of a 600 page history of the Catholic Church. He knows this is not a big ticket item but just seems like unnecessary waste. He can understand that they would be reluctant to have people scrounge in that dumpster because then they might be scrounging all over the Recycling Center, but maybe something could be worked out. Most of the books that he has looked at do deserve to be pulped, but there are the occasional ones that deserve to be saved and it seems a waste to not find a way to do it.

Parking Ordinance Amendment

Stephen Antalics, 737 Ridge Street, referred to Bill 29 - 2016 that amended Article 531-Parking Generally. He remarked the original Bill's purpose was concerned with public safety that includes no parking fifteen feet of a fire hydrant, twenty feet of a crosswalk, thirty feet upon the approach to any flashing signal, yield sign and so on. He has heard people at this podium complain about numerous violations of that Ordinance, but what concerns him is the recent amendment concerning yard parking restrictions. Mr. Antalics wonders what that has to do with public safety. To him it is more an answer to a neighbor to neighbor snit. He stated in the amendment what was struck out is mud free stone covered surface and requires concrete or macadam. Mr. Antalics noted he has seen enough properties that use white landscaping stone and expressed that they are in violation of the Ordinance. He queried if this Ordinance requires them to either macadam or put cement down in their driveway at great cost. Mr. Antalics remarked that it is incumbent upon the City now to look at every property and cite for improper coverage of their driveway. He believes this is getting to the absurd. Mr. Antalics thinks that City Council and the Administration have more serious things to consider than something as trivial as this. If they are concerned with the beauty of the City he suggested looking at the broken windows, problems with housing and a large building with numerous broken windows such as a building the City owns on Illick's Mill Road. Mr. Antalics wonders if the City should cite themselves for code violation. He is at a loss with this to really understand this amendment. Clearly, it is solving someone's private complaint with a neighbor. He remarked if this Council is responsible he would like to see about revoking all those amendments.

4. PUBLIC COMMENT (on Ordinances and Resolutions to be voted on this evening - 5 Minute Time Limit)

New Bethany Ministries Food Pantry

Diane Elliott, 1539 Spring Valley Road, informed she is the Executive Director at New Bethany Ministries. She is returning because she was at the last time Council to speak about funding for the New Bethany Ministries food pantry. In the interim there have been discussions with the City that have led to an agreement that would provide New Bethany with some funding that it needs to move forward with the new food pantry. She thought it was important to come to this evening's meeting to let Council know that we had these discussions and the City has favorably determined that there is something they can do to assist New Bethany with this project.

President Reynolds remarked that this is good news and he is pleased that something could be worked out with the Administration. He thanked Ms. Elliott for coming back and sharing the news.

CDBG Funding/Merger of Parks and Public Property

Dana Grubb, 2420 Henderson Place, remarked that he had read about the New Bethany funding in the CDBG funding plan, the Action Plan. What he wanted to do tonight was to educate elected officials on some history of CDBG funding. He noticed that the CDBG entitlement is at an extremely historic low level. Mr. Grubb pointed out there was a time when City Council actually placed a moratorium on funding non-profits. He noted Council may want to research that and read up on it. He continued for a number of years non-profit organizations were not eligible for CDBG funding. The thinking at that time was that there is the United Way, and because of the

unpredictability of the CDBG, City Councils did not want to begin underwriting costs with nonprofits; learn of further cuts in the CDBG program, and then have to be the bad guys and say we cannot fund you anymore. Mr. Grubb advised many on Council felt strongly about that. In the 1990's as the entitlement began to creep up and we received close to \$2 million a year. City Council decided that with the increased funding and the Administration's support, funding non-profits will be limited to bricks and mortar projects. This was what New Bethany had applied for. There were certain stipulations of how much of an annual entitlement could be placed into non-profit bricks and mortar projects and how much of that percentage could go to any one non-profit. Mr. Grubb continued in light of the fact that you are looking at approximately \$1.2 million in CDBG funding, he felt it was important that City Council should be aware of the way former Councils handled it. He is sure the City Clerk can find the minutes if anyone is interested in this and also to get the thread of what those discussions were. Mr. Grubb stressed that \$1.2 million does not go very far, and one of the concerns he has had are the conditions of the streets in Bethlehem. He noted the CDBG was used very heavily in low and moderate income neighborhoods to overlay and rebuild streets; it does not go that far when you only have \$1.2 million. He has noticed that each year it seems that there are even more non-profits being funded and part of the thinking at that time was let's do projects using CDBG money that will benefit a larger portion of the community. Mr. Grubb also wanted to discuss the merger of Parks and Public Property. He expressed City employees have been contacting him and the only thing he would caution Council on, although he does not have a strong feeling one way or the other, is that City services are not what they use to be in Bethlehem. This consolidation may or may not improve services. He does understand that this Administration is trying to save money. He also thinks that you do not want to be pennywise and pound foolish. If this merger goes through, City services should be improved as a result of the merger. Mr. Grubb noted over a number of Administrations every time there are cuts it is Parks Maintenance workers and Streets workers. He highlighted those workers actually deliver services to the Bethlehem residents. Mr. Grubb expressed City Hall is loaded with low fruit and he thinks the focus is being missed for an opportunity to save money with personnel.

5. OLD BUSINESS

- A. Members of Council
- B. Tabled Items
- C. Unfinished Business

6. COMMUNICATIONS

A. Intermunicipal Agreement – City of Bethlehem/Borough of Hellertown – Traffic Signal

The Clerk read a memorandum dated October 27, 2016 from City Solicitor William P. Leeson, Esq., to which is attached a proposed Ordinance and associated Intermunicipal Agreement between the City of Bethlehem and the Borough of Hellertown related to the operation and maintenance of a traffic signal along Hellertown Road/SR412 at the intersection of Kichline Avenue and I-78.

President Reynolds stated the Ordinance can be listed on the November 15, 2016 agenda.

B. Intermunicipal Agreement – City of Bethlehem/Bethlehem Authority/Upper Saucon Township – Water Service

The Clerk read a memorandum dated October 27, 2016 from City Solicitor William P. Leeson, Esq., to which is attached a proposed Ordinance and associated Intermunicipal Agreement between the City of Bethlehem, the Bethlehem Authority and Upper Saucon Township related to water service to be provided within the City franchise service territory encompassing a portion of Upper Saucon Township.

President Reynolds stated the Ordinance can be listed on the November 15, 2016 agenda.

C. City Solicitor – Use Permit Agreement – Greater Lehigh Valley Chamber of Commerce by and through its Downtown Bethlehem Association – Christmas City Village

The Clerk read a memorandum dated October 27, 2016 from City Solicitor William P. Leeson, Esq., to which is attached a proposed Resolution and associated Use Permit Agreement with the Greater Lehigh Valley Chamber of Commerce by and through its Downtown Bethlehem Association for the Christmas City Village. The duration of the agreement is November 18 through December 18, 2016 and the location is Nevin Place, adjacent to the Sun Inn Courtyard and Main Street from Broad Street to Church Street.

President Reynolds stated Resolution 10 B is on the agenda.

D. Director of Water and Sewer Resources – Recommendation for Award – Maser Consulting, P. A.

The Clerk read a memorandum dated October 27, 2016 from Director of Water and Sewer Resources, Edward J. Boscola, recommending a contract with Maser Consulting, P. A. for geotechnical engineering services to assist the City with evaluation, and repair of the section of New Street between North and Garrison Streets that was impacted by water main and gas main breaks on September 29, 2016.

President Reynolds stated Resolution 10 C is on the agenda.

- 7. REPORTS
- A. President of Council
- B. Mayor

Budget Release Date/Money Magazine-Bethlehem Best City to Retire/Lehigh University Expansion

Mayor Donchez announced that the Administration will release the budget next Friday, November 11, 2016 at 8 am at Moravian College. Mayor Donchez continued to say that he just received his issue of Money Magazine and Bethlehem made the list of the best City in the northeast to retire. He pointed out that is a testament to everyone in this room. Mayor Donchez added that Lehigh University announced a very ambitious plan for South Bethlehem over the next 5 to 10 years. We have met with the Administration on that and we will be working with them as they pursue their expansion, which is a very ambitious project.

8. ORDINANCES FOR FINAL READING

None.

- 9. NEW ORDINANCES
- A. Bill No. 32 2016 Amending Article 107 Departments

The Clerk read Bill No. 32 – 2016 – Amending Article 107 – Departments, sponsored by Ms. Negrón-Dipiní and Mr. Colón:

AN ORDINANCE OF THE CITY OF BETHLEHEM, COUNTIES OF LEHIGH AND NORTHAMPTON, WEALTH OF PENNSYLVANIA, AMENDING ARTICLE 107 OF THE CODIFIED ORDINANCES ENTITLED DEPARTMENTS

Ms. Negrón-Dipiní wanted to comment on what Mr. Grubb had stated. She was very happy to see this was happening and also with Jane Persa's comments at the last meeting when she said she was comfortable with this merger. Ms. Negrón-Dipiní believes this will definitely better the services in the City and will allow Ms. Persa to have the resources to provide better services to our City.

Mr. Colón queried if the Administration had ironed out how these new positions will be filled yet with the Union.

David Brong, Business Administrator stated they are not new positions, they are essentially existing positions, and we are working on that. We are seeing this process through before we consider exactly the mechanism on how to make that move and structure this organization.

Mr. Evans mentioned since the Committee Meeting he was able to take a look at comparable cities that are similar to size and structure to our City. What he found in cities like Erie, Lancaster, and Wilkes-Barre is that it is quite often and common that Parks and Recreation is housed within the Public Works Department. He remarked when you look at the functions it make sense in many ways why they are housed within the Public Works Department. Mr. Evans did mention his concerns at the Committee Meeting regarding the fact that our Parks Maintenance Bureau provides a great deal of support to our Recreation Bureau. Some synergies will be lost when this Bureau is moved into Public Works and so while he supports keeping the Recreation with the Administration, it is important for them to have a seat at the table for staff meetings. They are a front line resource for us at the City and for the citizens of the City. Mr. Evans added that the offset will be that some synergies will be gained when we talk about leaf collection and snow plowing when they work together, which will be a change for the better. Mr. Evans stated his fear is the staff of three and will they be able to support Recreation as much as needed for the services and programs provided to the City. He does understand that Public Works will lend workers from that department to help with Recreation and he hopes going forward with future Councils and future Administrations that they also work together because Recreation will now rely on groups of workers from a different department with two different department heads. Mr. Evans thinks this is important as we move down the road in the years forward although he does have full confidence that the Administration has this in their minds and will watch that closely in the summer as we roll out Recreation programs at that time. This will be a work in progress and he knows from Council's perspective we support the positions with this consolidation. It is the same number of front line workers that will continue to work. We are not losing manpower getting the jobs done for the City.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. Bill No. 32 – 2016 was passed on First Reading.

B. Bill No. 33 – 2016 – Amending Article 927 – Sewer Rental

The Clerk read Bill No. 33 – 2016 – Amending Article 927 – Sewer Rental, sponsored by Ms. Negrón-Dipiní and Mr. Callahan:

AN ORDINANCE OF THE CITY OF BETHLEHEM, COUNTIES OF LEHIGH AND NORTHAMPTON, COMMONWEALTH OF PENNSYLVANIA, AMENDING ARTICLE 927 OF THE CODIFIED ORDINANCES ENTITLED SEWER RENTAL.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. Bill No. 33 – 2016 was passed on First Reading.

10. RESOLUTIONS

A. Approving 2017 CDBG and HOME Programs

Mr. Colón and Mr. Callahan sponsored Resolution 2016-215 that approves the Action Plan for FY 2017 for the City of Bethlehem for the period from January 1, 2017 to December 31, 2017.

Ms. Negrón-Dipiní commended the Administration for providing some assistance to New Bethany for their food pantry. Ms. Negrón-Dipiní stated she will be abstaining from voting on this Ordinance because she is a Board Member for CACLV and they will be receiving funding.

Mr. Evans thanked Ms. Karner and the Administration for finding a way to provide some funding for the food pantry and wondered how that came about.

Ms. Karner stated typically when you fund construction projects you increase the cost by approximately 30% and so when we looked at what the project cost was and the amount of money we were giving they ultimately would only net about \$1,500. It did not seem to be in the City's best interest or New Bethany's to force them to comply with those kinds of regulations that relate to CDBG. We were able to take \$1,500 dollars out of the Community Development budget to separately fund the project, which is what they would have otherwise net.

Voting AYE: Mr. Evans, Mr. Martell, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 6 .Abstain: Ms. Negrón-Dipiní, 1. The Resolution passed.

B. Authorizing Use Permit Agreement for Public Property – Greater Lehigh Valley Chamber of Commerce by and Through its Downtown Bethlehem Association – Christmas City Village

Mr. Colón and Mr. Callahan sponsored Resolution 2016-216 that authorized the execution of a Use Permit Agreement between the City of Bethlehem and the Greater Lehigh Valley Chamber of Commerce, by and through its Downtown Bethlehem Association for use of Nevin Place (adjacent to the Sun Inn Courtyard) and Main Street from Broad Street to Church Street for the Christmas City Village for the time period November 18, 2016 through December 18, 2016, according to the Agreement.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

C. Approving Contract – Maser Consulting, P. A.

Mr. Colón and Mr. Callahan sponsored Resolution 2016-217 that authorized a contract with Maser Consulting for geotechnical engineering for the New Street repairs.

Voting AYE: Mr. Evans, Mr. Martell, Ms. Negrón-Dipiní, Mr. Waldron, Mr. Callahan, Mr. Colón, and Mr. Reynolds, 7. The Resolution passed.

11. NEW BUSINESS

2017 Budget Hearing Schedule

President Reynolds thanked Ms. Kelchner for operating around everyone's' schedules to get the budget hearing meeting dates confirmed. He knows this took many weeks and many dates were considered to get as many people as possible for all of these hearings.

President Reynolds announced the 2017 Budget Hearing Schedule, as follows:

Monday, November 21, 2016 - 6:00PM - Town Hall

First Budget Hearing:

Water Fund Revenue and Expenses Water Capital Budget Sewer Fund Revenue and Expenses Sewer Capital Budget

Tuesday, November 29, 2016 - 6:00 PM - Town Hall

Second Budget Hearing:

Administration
General Fund Revenue
General Fund Expenditures
General Fund Expenses
Debt Service
Recreation Bureau
Golf Course Enterprise Fund

Third Budget Hearing:

Council, Mayor, Treasurer, Controller, Law Bureau Civic Expenses Police Department 911 Fund Fire Department

Monday, December 5, 2016 - 6:00 PM - Town Hall

Fourth Budget Hearing:

Community Development Block Grant Community and Economic Development Department Public Works Department Liquid Fuels Fund Non-Utility Capital Fund

Monday, December 12, 2016 - 6:00 PM - Town Hall

Final Budget Meeting

Tuesday, December 20, 2016 – 7:00 PM – Town Hall City Council Meeting

Final Reading of 2017 Budget Ordinances

Budget/ Host Fee

President Reynolds noted he thinks that everyone on Council and in Bethlehem are paying attention to some of the things that have occurred in the past few weeks in Harrisburg as it relates to the Host Fee. We had a short conversation about a month ago and it was the hope at the time that legislation addressing the Host Fee could be accomplished by the end of December. As we enter the New Year we then would have more certainty about what that would mean for our budget. The Host Fee is a large amount of revenue for the City and as Mayor Donchez said it goes to pay almost 100 Police Officers. President Reynolds noted he has had conversations with other Council Members because there is a lot of uncertainty on our end and we will be asked to approve a budget. He continued that Mr. Brong had talked about some of the options at a prior meeting and President Reynolds is asking at this time for more of a conversation about what options the Administration is considering at this time. He does not think anyone wants a situation where every two weeks at these budget meetings we are asking for an update. The one thing that Council is interested in is if the legislators cannot not resolve the situation, is what will be the process and what are some of the key dates where we may have to look at other options. President Reynolds queried at what point in 2017 do we need to start planning if we do not get the Host Fee. He is asking for general comments as well as ideas as how we can go through this budget process to provide information to Council and the citizens.

Mayor Donchez explained that he spoke to Senator Lisa Boscola and Senator Pat Browne within the last week and a half. The House passed a proposal that the Senate did not take up in a sense. The House is adjourned for the rest of the year and the Senate goes back for either one day or two days after next week's election. According to Senator Boscola and Senator Browne there is a slight chance that they will review it. It is possible they could pass the bill, but it is unlikely. He continued we are probably looking into the New Year and that means that in January there will be a new House and Senate due to the elections. In all probability the feeling of both Senators is that it is probably unlikely it will be resolved this year, but probably in the first quarter of 2017. Mayor Donchez added that they both feel very confident that the amount of money that we are receiving will be the amount of money that will be in the final proposal, and that is what is most important to him. The \$9.8 million is critical to the City of Bethlehem and for our budget which, is at \$75 million.

President Reynolds thinks that it is the hope that this gets done in the first quarter. He expressed appreciation for all of the State legislators who have worked hard to solve this matter, but noted in reality, many of these things do not get done until June at the time of the budget. There will be new House members and new Senators and many of them do not necessarily represent areas that need any Host Fees from casinos. When they look at what the budget is going to be next year he does not see a lot of will for them to approve a bill early in the year before the budget proposal from the Governor. It is realistic to look at the fact that this might not get done until the middle of the summer. President Reynolds is hopeful and knows that Senator Boscola, Senator Browne, Representative Samuelson and Representative McNeil as well as the Allentown legislators are hopeful, but it is hard to imagine that anything gets done before the state budget.

Mr. Brong expressed the \$9.8 million worth of revenue, approximately 13% of our revenue, has not been taken away; rather it was cast into uncertainty. He noted that \$5.5 million is due to the City and that is based on revenue accrued during the 2016 calendar year. That leaves a \$4.3 million hole or uncertainty. Mr. Brong stated the spirit, as the Mayor has said, is that everybody wants to assure that the municipalities are made whole first and foremost, but how we get there is in question. The timing is definitely a question and because the timing is uncertain he believes that one of our options, probably the simplest and most fluid option, is a Revenue Anticipation Note for the balance of the \$4.3 million. Addressing the question of when will it become critical for us, Mr. Brong referenced a graph of the cash that he had shown to Council, and the cash seems to be for the past several years travelling in the right direction. He highlighted this year we were able to end the moratorium on post October purchase orders because we are not going to be cash strapped in 2016. What that means is that we are a little bit more bullet proof to be able to withstand some form of a challenge well into the year of this \$4.3 million. Mr. Brong can say that probably by the end of the third quarter we will notice it if it is not resolved and whatever Anticipation Note we have in our pocket we will probably have to transact, get it ready for Council, and ensure that everything is in order in the event that there continues to be more uncertainty in 2017. He stated he feels that is a very good plan, and hopefully we will not have to use it. Aside from that we all would share the reality that it is not the right thing to do to consider any type of a tax action in 2017 based on this uncertainty. Mr. Brong stated we are avoiding that and think that an Anticipation Note, especially in this investment climate, is a good call for the City. If there would be any type of unfavorable outcome, which is not anticipated, we would have to consider that for the 2018 budget.

President Reynolds noted these things might be more comfortable talking about when we get into the budget hearings. It is possible with the \$9.8 million that whatever percentage they come up with gives us a little bit less or a little bit more, we do not know that at this time. He queried whether the Anticipation Note is something that is able to be borrowed in part. He posed the question of what would happen in June if we are told that we are only to expect receiving \$8 million or if we end up with \$500,000 less. He knows where the \$4.3 million number comes from for 2017, but would it be possible for us to take some of that or is it something we could shoulder without borrowing.

Mr. Brong affirmed there is an amount of money we could shoulder and with \$500,000 as a one year hit we could shoulder that without any kind of a budget action. With something more than that we would have to discount the amount of the Anticipation Note in order to cover it. The amount of the Note is up to us. It can be any denomination. If it is something that is responding to a number that has been discounted, it does not have to be \$4.3 million, it would be \$2 million or \$1 million.

President Reynolds asked if the number we are going to put in the budget is \$4.3 million.

Mr. Brong stated the number we are going to put in the budget is \$9.8 million.

President Reynolds referenced the importance of the financial updates throughout the year from the Controller's Office and the Administration, and the role they play in keeping Council informed and paying close attention to the revenues. He expressed to Mr. Brong as we go through the upcoming months and into 2017 please let us know how we are looking with what we can and cannot shoulder for 2017. President Reynolds pointed out that the issue for 2018 would be a whole different matter with what they would have to look at if that \$9.8 was reduced to zero.

12. ADJOURNMENT

The meeting was adjourned at 7:52 p.m.

ATTEST:

City Clerk