

**Julio A. Guridy, President**  
**Ray O'Connell, Vice President**  
Joseph Davis  
Jeanette Eichenwald  
Jeff Glazier  
Cynthia Y. Mota  
Peter Schweyer



**Allentown City Council**  
**435 Hamilton Street**  
Allentown, Pa. 18101  
AllentownPa.Gov

Facebook: Allentown City Council

**COUNCIL MEETING MINUTES**  
**February 6, 2013**  
**COUNCIL CHAMBERS**  
**435 Hamilton Street**

**Council Meeting – 7:00 PM**

**The meeting was called to order at 7:00 PM. All Councilpersons were present.**

- 1. Invocation: Joe Davis**
- 2. Pledge to the Flag**
- 3. Roll Call**
- 4. Courtesy of the Floor**

Ms. Callie stated that the property in the park until the ending part of our properties has been posted no parking. This is about the windy park and it is only in front of our properties that no parking on one side of the street is not allowed anymore and we have been there since 1992. They are using the reading that tractor trailers cannot get in. They have given us ten feet from each driveway. Tractor Trailers have been getting in and out since we been there in 1992 and we have buses that have less steering maneuverability than Tractor Trailers. They are just using it. The Parking Authority has us as a high priority and is ticketing our people. This is working people from Allentown and Bethlehem and the surrounding areas are getting one hundred to two hundred dollar tickets for a high priority in a Business Park. Half the time these businesses are not even open. These women and men are coming in at 5:00 in the morning and going home 3:00 or 4:00 in the morning and they don't want us to park close to our property. Please can take them down. Debbie is here and she got a ticket today. I just found out how she got her ticket. We sent a petition out just for our workers and we have so many workers that signed the petition. I didn't go to the businesses. We own four of the properties and we have other people that would certainly sign the petition and given more time, we would get more people to sign. Seventy is a nice amount considering their petition had four people signed, four business people that signed. There are quite a few businesses in that property. I will get you all the petitions and going to try to change her plans. She is set not to be here next week. I will try to change the tickets that I have and be here or she will prepare one of our people to speak again next week. You can call my cell phone or call my office. We hope that this is just not right to do this. This is Debbie Gesell and she works in our office and works the night shift and her husband Josh. Tell them what happened to you.

Ms. Debbie Gesell, 7 S. Front Street – Coplay, stated that she was going down the street and she turned around to pick up her husband up and she was pulling up next to the cars and she was stopping. I did not have in park and she came up behind me and gets out and said I am giving you a ticket. I said for what, he is walking out and getting in the car and we are leaving. She stated that you are double parked and I said I did not even get the car in park and you are behind me. She stated that she could give me a second ticket for lazy parking. I didn't even have the car in park and she was behind me.

Mr. Guridy stated that you can only speak one time.

Mr. Hercules stated that he is a professional chauffeur and works for J&J and they give me jobs. The problem that I have is that he is losing money now with this. I have two kids in college over lapping each other and I have bills to

pay. He stated that street has twenty businesses and have enough parking for people to park on the right or the left. Two cars don't have to be next to each other. Now, all of a sudden we have these things. I don't know what to do and we are getting tickets. I have to drive people and I can't do that if I can't pay my bills. Please take the signs down.

Mr. Guridy asked if people are speaking on the same thing. If not, he would like to give an opportunity to Mr. O'Connell to respond and then Mr. Schweyer.

Mr. Schweyer stated no, I know I will be fine at that moment.

Mr. O'Connell stated Ms. Callie and Mr. Callie, we spoke before the meeting and I would like to get a copy that petition. There are two issues here. The first issue being your concern and that concern will be addressed when we have our Public Works Committee meeting next week. Ms. Eichenwald and Mr. Davis are on the Public Works Committee. If at all possible, we would like a representative if you can't make it to be at the Public Works Committee meeting. That is when we will get into the nitty-gritty. We have about twenty-five or thirty items on that traffic control map and your business lane being one of them. We will have open ears and we will be good listeners, that being stated, that issue is that issue. The second issue is the parking ticket issue. We really have no jurisdiction over the parking ticket issue and we feel for the lady that received the parking ticket today. There is an appeal process. Call the Allentown Parking Authority and state your case and see what can be resolved, if anything can be resolved. I suggest that you do this as soon as possible. Let them know that you have come in front of City Council asking exactly and he could be reading into this that it seems like they are making more of an effort to patrol the area now than they probably have in the past. I understand your issue and I am fully aware of the issue. You have been parking on both sides for twenty-five years and now it is only parking on one side which is your side which does not negate the fact that you can get a ticket if you park where you shouldn't park. We will be knocking the issue around next Wednesday, Ms. Eichenwald is very aware of what is happening and Mr. Davis, obviously. He you could get a representative here next Wednesday, we will have Mr. Young here. He is the director of Public Works. He will be here and we will just have a dialogue and whatever we could do and I am not saying we could change anything, but I am saying we are going to listen. We will make a motion one way or another. Maybe there will be no recommendation from this committee and it could go to the entire council. Being here tonight, you stated your case before the entire council which is good. Thank you for coming. How long has your business been in Allentown?

Ms. Callie stated since 1979.

Mr. O'Connell asked about how many people you employ.

Ms. Callie stated about 120 and vendors that we also supply.

Mr. O'Connell stated and the corporation he believes is J&J Luxury Limousine.

Ms. Callie stated that they have J&J Limousine, Taxi Service, and bus service.

Mr. Schweyer asked if they are saying to you that you are not allowed to park there because there is no public parking, but the lazy double parking bill specifically says that you have to be adjacent to a public parking spot. If there is no public parking on the street, by default you will not be double parked in the parking spot. As a matter of fact, that would have not applied to you at least as far as his interpretation. You are in very capable hands with our Public Works Committee and Chairman O'Connell.

Ms. Eichenwald stated that that lieu of what Mr. Schweyer just said, Mr. O'Connell I would like to respectfully suggest that we invite someone from the Parking Authority to join us as well to next Wednesday meeting.

Mr. Guridy stated thank you for coming and you are welcome to stay and listen to the entire Council meeting.

Mr. Hershman, 405 N. Gilmore Street, stated that fluoride is in the water and sewer lease. I am hoping that if you ever go out on this water and sewer lease that these operators are trained to work with fluoride. We could have a

problem here because a lot of these companies had a problem with one of the cities in Pennsylvania. The fluoride people got sick. Under the Right to Know law I have been reading and hearing that the mayor picked six concessionaires to work on this water and sewer lease. My concern was how the mayor obtained six names. I sent a letter to the solicitor's office under the Right to Know law and if they could give me a copy of the ad to see if the mayor advertised to obtain those six concessionaires. The mayor doesn't need to do that, he is the mayor of Allentown. It says under otherwise prescribed or superseded by the city charter. In Article 7 paragraph under the Charter grants the mayor authority to engage if needed temporary solicitor to represent the city in special legal matters. That is not what I asked for. I asked for a copy of the RFP how the mayor obtained these concessionaires. I am just hoping that these six concessionaires were not connected and that is how they were chosen. This could be a big problem if you have to be politically connected and contribute to the Pawlowski for Mayor Campaign to be a concessionaire. I am asking council to investigate this thing. This is a big issue with the water and sewer. How did the mayor choose six concessionaires and were they politically connected and did they offer any contributions to the mayor prior or after they were chosen to be concessionaires. People are against this water and sewer lease and we continue to go forward. Look at other options. There are other options to fund this thing. You guys don't want to hear it. You are stuck in first or second gear. You continue to listen to this mayor.

Ms. Eichenwald stated that we have representatives here from the administration. Perhaps you could begin to answer the question.

Mr. Fran Dougherty stated that we are not going to answer that tonight, Ms. Eichenwald. If there are specific meetings on that specific topic or the next meeting devoted to that we will address it.

Ms. Eichenwald stated do we have that on public record that the next time the discussion is about water and sewer in a public fashion you will answer that.

Mr. Ernie Atiyeh, 451 W Chew Street, stated that he is trying to find out about his request for PEL to look into the privatization of the water and sewer. Have we found anything out yet?

Mr. Guridy stated that they are working on it, but we have to wait to compare apples to apples and find out what the final bids will be.

Mr. Atiyeh asked if it will be too late by then.

Mr. Guridy stated that he thinks that is what they said they wanted to do.

Mr. Schweyer stated that Mr. Atiyeh is right. We all assume that once the administration was to make a final decision on whether or not they are going to ask us to privatize with "Insert Name of Firm" here that we are going to have a window that is going to less than a year to say yes or no to that. To Mr. Atiyeh's point yes, we are at least going to know what the other options would cost. I understand that PEL was in today and perhaps this will be an appropriate point for you to talk about where we are with that process with PEL.

Mr. Hanlon said they have spoken to PEL.

Mr. Schweyer stated that I understand to Mr. Guridy's point that this is about a 90 percent snapshot because that last piece of it is what we do if we privatize. When we are still looking at all the options including creating our own authority, PFM did give an idea of what the cost of it would be, but we wanted that independent verification. I believe the numbers were a 40 percent increase in one year and 30 additional in the final year. We were going to have them look at it from that perspective. I understand and certainly agree with you Mr. Atiyeh and agree with Mr. Guridy that we can't or it won't be a perfect comparison because we still won't know what the ultimate number is from a private or nonprofit or authority if someone was chosen by the administration. Without having that number ahead of time, the time crunch is just impossible.

Mr. Atiyeh stated that there could be an opportunity for this identity to actually bid on this concession, if it would be a nonprofit or a for-profit corporation.

Mr. Schweyer stated that all of them are already working on it that has been processed right now.

Mr. Atiyeh stated that he asked this way back in the beginning and never got an answer.

Mr. Schweyer stated that he is lost. I am not sure what you never got an answer for. The public authority is part it, but we want to see what the analyses are. That is what we are working on.

Mr. Atiyeh stated that his concerns are the employees, the SEIU workers. We have an obligation to them. The second thing is accountability. I don't want somebody from Germany running our water and sewer department if we could do it ourselves. It doesn't make any sense. I will get together with Mike and try to work things out.

Mr. Guridy stated that most of us here and Peter has said last time that there are some things that are non-negotiable and that is one of them. Both of the issues that you spoke about are non-negotiable to us. We want to make sure that we keep our employees. We want to make sure that we have trained people there that know what they are doing. A report essentially has been written and Mr. Dan Koplisch has been very diligently working on that. I think all of us share your concerns on those issues.

Mr. Schweyer stated to reiterate on what he spoke to Midway Manor the other night we had said that prior to any concession agreement we will have a public hearing with Mr. Koplisch so that the citizens can hear what is being proposed from an operating standards so that people can vet to make sure that the person that ran our water department for a number of years and still lives in the city can still see what he has put together. He works for council and what the detailed requirements are as to everything from fire hydrant inspected and lines inspected and we will do that as a Public Hearing prior to any vote on ultimate privatization and that is something that we said on council and we reiterated last night and reiterate it, again last night to get to those issues of control and quality assurance. Nobody wants at 3:00 in the morning to pick up the phone and not be sure if someone is taking care of the manhole.

Mr. Atiyeh stated that you all know me and that I have been living on the eastside pretty much my entire life. When J&J limousine first started they started with one bus and one car. They have expanded to something enormous. It is a family run business. Let's not take something away from them when we are trying create economic development in Allentown.

Mr. Guridy stated that he agrees with Mr. Atiyeh and has known him when he only had a couple of cars and he has grown to be a wonderful company and I share their concerns and the committee already said that they were going to work on it. We leave it to the committee to make a recommendation for us or no recommendation depending on what they come up with the Parking Authority.

Ms. Eichenwald stated that the conversation became a bit unclear. We went off in several directions in the last couple of minutes with the Standard Operating Procedures and the union workers. I am concerned that we follow the direction issued by PEL that when the bid is in before any decision is made that we investigate and look into a Public Authority. I just want to make sure since we were talking about that peripheral issues all of which I am concerned about right now before PEL before any decision is made by the seven of us that we listen and get some opinions from PEL about a Public Authority.

Mr. Guridy stated definitely, thank you. We will do that Ms. Eichenwald. I think I pressed that several times, but I think it is appropriate.

Mr. Glenn S. Hunsicker, 1051 N. 19<sup>th</sup> Street, stated that he is here on behalf of the Petitioners Committee members. Back on January 25<sup>th</sup> I have a Right to Know request sent in to the city and according to the law it says five days for a response and I haven't heard any response via by email or letter. If someone from the city's administration can answer why. It seems to be the theme of the night. Nobody is getting responses back.

Mr. Dougherty stated that I take exception to the last sentence. Mr. Hunsicker did receive his two initial Right to Know requests. He has filed additional Right to Know requests. I believe you have a Right to Know Request going through the process to the Finance Director. It has been routed to the Right to Know office. I don't know what the timeframe is, but I know the city is in receipt of it.

Ms. Fran Fruhwirth stated that we did receive a Right to Know request from Mr. Hunsicker with regards to the water and sewer lease concession. It was received by our office and it is being processed in accordance to our protocols. It is not accurate to say that we have five business days to respond to a Right to Know request there is the invocation of the thirty day extension under the law to permit us to assemble the documents which to my memory we did. It is certainly the process is in motion.

Mr. Hunsicker stated that on the last page of this request form it reads General Rules for Right to Know request initial response for the Right to Know designee will either one or two things within five business days response time permitted by the law. Number 1, provide an answer to the request of supplying the documentation or documents 2, tell the requestor in writing which I did not receive that an additional thirty business days are required and we are now at the eighth business day.

Ms. Fruhwirth stated that she can check when the letter went out and she will assure Mr. Hunsicker that in fact has been done.

Mr. Hunsicker stated that it was sent via email on the 25<sup>th</sup>.

Ms. Eichenwald asked January 25<sup>th</sup>.

Mr. Hunsicker stated yes, that is correct, January 25<sup>th</sup>.

Mr. Guridy stated that they will talk to you.

Mr. Hunsicker stated that he is stating it for public record. Has the RFP gone out or when will it go out.

Mr. Guridy stated that the RFP under his understanding has gone out.

Mr. Hunsicker asked do you know what date.

Mr. Guridy stated he is not sure.

Mr. Schweyer stated that the second RFP has not gone out.

Mr. Stratheran said on the 25<sup>th</sup> of February.

Mr. Guridy stated the 25<sup>th</sup> of February.

Ms. Eichenwald asked the administration if City Council will have the opportunity to look at the RFP before it goes out. I know that we tried to schedule several meetings with PFM and they were cancelled.

Mr. Gary Stratheran said Council has been informed and Mr. Davis and Mr. Hanlon have attended meetings.

Ms. Eichenwald stated that at several occasions we were told that we would have an opportunity. Mr. Guridy is that correct that you told us that would be an opportunity for City Council to see it. She is very pleased to know that Mr. Hanlon was involved and that you kept him informed, but with all due respect we are the elected officials that have to ultimately make the decisions.

Ms. Eichenwald stated that is her understanding. Did everyone hear that? It goes on public record that it is our understanding that City Council will have an opportunity to look at the RFP.

Mr. Gurdy asked Mr. Hunsicker is he still requesting to do the PowerPoint presentation. Let me say this that we don't do this too often. We probably have done this the last time for the students and I had advised everybody on Council that there will be a brief presentation by the students. Mr. Hunsicker asked me today if he could have a PowerPoint presentation for five minutes or less and I had to ask Council. It is kind of out of the protocol of what we do. It is up to you Council.

Mr. O'Connell stated that he is in favor of it. Five minutes is five minutes.

Ms. Eichenwald stated that it would be fun to see a five minute PowerPoint presentation.

Mr. Glenn L. Hunsicker, 844 S. 11<sup>th</sup> Street – Citizens for Common Sense, stated that there are only five slides here and basically I am giving you copies so you can go along with this. I am going to talk about the Pension Revenues and the first slide basically is talking about the EIT tax and only talks about the .35 revenue number and what I am showing here between 2011 and 2012 basically the amount of money brought in on the .35 amount only and you will see the first on the left those two bars you are looking at the nonresident numbers and you see there are increases in both those years, 2011 and 2012 and moving over to the center bar you are talking about the resident number and the most important one are the right bars in 2011 and 2012 you are showing here in 2012 \$8.7 million came in. The point of this chart is to really see the money that came into the city and just these two years. It is going to continue to come in as long as it is .35 is in effect or higher. That .35 can actually be raised. Basically, recapped on that it is a .35 and that is the second slide and on the right hand side you are showing about \$8.7 million and you see the slop of those and it is going up. I suspect that will continue to go up in 2013 especially when you see more EIT coming in. The other point of interest about it is Council and the Mayor cannot say year after year that they have not raised any taxes. EIT is a tax. Don't say that and if you are going to say that clarify that and say real estate taxes you have not raised, but there are other monies coming in. A month or two ago I said that you cannot run a place like this without increases. These are some of the increases that allow you to do it. The next slide here shows basically this is taken from your CAFR report. It is showing changes in water and sewer net assets versus your interfund transfers. What it is showing here basically on the water side you will see that it is the left hand blue column and you are showing about a 3.7, the next is a 2.2, and the total there in the green are basically 5.9. If you go to the right you will see the interfund transfers that came out of the funds and that is \$500 million there. If you want to look at these numbers in your CAFR report it is where it comes from, this data. What it shows here, money has been coming out of these funds which you people know and understand for years and if you go back to the RFQ where the mayor and the administration wanted to sell the water and sewer they put in a free cash flow numbers on the water and sewer side, free cash flow. This is where some of this comes in. Here I thought I would throw this in. In the last two years, and all of these charts are incomes that came in since 2010. The pension problem started in 2006, 2007. For six years, this money just came in over the last two years. This is additional money and how the city has been running and they have been using it and spending it. It is nothing to say they couldn't have started to put some away towards the so called increase in the fire and police pension funds. The reason why I put the casino number is you see the increase. No one expected that high number. Nobody expected the casinos would do that kind or put that kind of money out. Where I have here is revenue solutions and we presented it at the West End meeting a couple of weeks ago. On the top left, we have bond issues and basically what we are saying here is the most fair way in doing something would be in this situation is to go out for a bond. It doesn't have to be for \$100 million. It doesn't have to be \$50 million. It could be, but you have to break this up, this cost it has to be broken up. You go over to the EIT and that is why I brought one of those charts in the center there. The EIT is basically based on .35. Scranton increased their EIT to one percent and it is not impossible, but no one wants to do it. If you got to do something, you got to do it. I am not predicting or saying you should do that. I am just saying it could be .35 or .4, but there is money there that has to be made some place. Go over to your right where I call the real estate base. There is going to be an increase in the real estate base in downtown Allentown. Allentown still gets the .5 percent out of the base money out of the NIZ zone, the real estate tax for that. That's going to go up, how much it is going to go up over the base number in 2009 or 2010, I don't know. I could ask estimate 350, 400 or 500 million. I don't know that we could have to check that out. Go down to the left hand side with the water capacity. Why did I put water capacity in there because our water system runs at 50 percent? We have a 100 horsepower engine running at 50 horsepower basically we have almost 100 percent capacity and on top of that, we have the premium water and the premium water is coming from Schantz' Spring. The Spring water is what the bottlers want and if you going to see when the

RFP comes out there got to be something in there that they want that water. That's the quality water. That should not go to 47 cents a thousand gallons. When LCA runs out of their 150 percent draw on a daily basis which is about 9 or 10 million gallons that's the next part and the other 9 or 10 million gallons from Schantz Spring you are going to have to see that is where the money is, and that is what they want. The next block on the right, the state plan 2013, the governor just yesterday put out a budget and he is talking about 401(K)s, but there has to be something coming down from the state that would help us in some degree, the MMO that is just a number. The MMO number could be a modified number. It doesn't have to be the number it is now. It doesn't have to be zero. It doesn't have to be 50 percent. Technically, the MMO is just a number to reach. If they would reduce it like they did three years ago in 2009 under Act 44 just for a certain period of time that is a possibility of helping out the cities.

Mr. Ken Heffentrager, 733 N. 11<sup>th</sup> Street, stated that he would like to thank and commend the city of Allentown specifically the zoning department for finally taking Mr. Richard Smith to court. Richard Smith operates nearly 100 rental units in the city, but he is probably most notable known for operating the property at 1327 W. Chew which everyone knows is the West End Hotel. This is a building that doesn't know where itself stands in the city and that is because in 2006 Mr. Smith played the city and the county off of each other. Code Enforcement cannot inspect the building which has 50 units in it which is a lot of lost revenue of residential renting. These people in there are long termers, but yet he tells the city he is a hotel we can't inspect it. He goes and tells the county that he is long-term so he doesn't have to pay a hotel tax. I just found out this week from Barbara Nemith that the city is in fact finally taking him to court. I paid \$11 for my Right to Know on Mr. Richard Smith and it is worth every cent. This is absolutely fascinating. One thing I don't understand is how could it take so long to finally bring somebody to this point. It is over and over again including one point where code actually tagged the building and five minutes later Code Enforcement officer drove past and the tag was gone. They tagged it again, and ten minutes later the tag was gone again. This guy is constantly shunning the city and I thank the city for finally taking this guy to task. Mr. Smith is not too happy with me. He has called me several times in the past couple weeks. He is crying the victim and I made a call and found out from Easton that they had no problems telling me that he is a pain too. I thank the city for that and thanked the Solicitor's department because as far as my Right to Know goes, I get them accordingly.

Mr. Dennis Pearson, 942 E. Tilghman Street, stated that he wanted to repeat a question that I asked at Midway Manor and I would like the administration through Mr. Guridy to answer this question. Allentown currently when the outside communities over use their capacity in water and sewer, they are surcharge and they are fined and this will continue under these companies, but Allentown is the owner and either though we are restricted because what we have sold if we should go over capacity or have surcharges we haven't been fined in the past unless the Environmental Advisory Protection Agency has done that. If we lease this, the customer of this and the people will be the customer more than with the city is will our rates be influenced by possible charges if we surcharge or something else.

Mr. Guridy asked if you could answer that now.

Mr. Pearson stated that the different answer at Midway Manor was that we are not wholesale, we are resale and that is the difference. That is one thing and the other thing is that many years ago David Bouche as county commissioner exactly wanted authorities. He wanted an infrastructure service economy which actually would take away many functions of the city. Normally the parks, the water and the infrastructure and streets the only thing that the city would have is fire and police which is exactly what your pension system is doing. It is causing it to being. This is styled on a French style authority system which really takes the democracy out of it because what that system does is makes everything in charge that has the city have people that are representatives on that, but also the remaining businesses are basically the member of the boards. That was something that was proposed in the past and many people don't remember that.

Mr. Schweyer stated to Mr. Pearson that you are responding to a public statement that I said on Monday and for Mr. Strathearn's benefit he was not sure what you were asking. I want to try to restate your question in a manner. He stated to Mr. Strathearn is what Mr. Pearson is asked me on Monday in which I responded to which he is bringing up again was a question of if signatories currently or under a proposed lease agreement are responsible for fines and penalties based on overuse of water i.e. they draw more water or they use more sewer what have you would under this proposed privatization scheme would Allentown residents therefore be responsible for overages again. I said no.

I said no because we are not wholesaling water to the City of Allentown through a private company. We will remain and still be retail consumers. I should have said also as you said we are not selling the water supply, we are not being asked to sell the water supply or the discharge. It is the operations of it because the City of Allentown will retain the owners of all of it. There are no overages to be charges, but Mr. Strathearn it is appropriate that you will weight on that.

Mr. Strathearn stated that he will have make sure that Counsel give them the correct information or have Counsel get back to you.

Mr. Schweyer stated that is my understanding still, Mr. Pearson.

Mr. Dan Poresky 824 N. Burke Street, stated that he has come across some very disturbing as well as some very promises information this past week. The question is the very foundation on the case that the mayor has made for privatization. You heard from dozens of people all the reason why privatization of our water is a bad idea: rate increases, water quality issues, job losses, poor services. No one, not even the mayor says that he wants to privatize. He causes it a necessary medicine. The only reason that we are doing it, the mayor says that there is no other way to solve the pension problem. Every time the mayor is asked why can't we use the water revenue to help pay the pension MMO he says that state law prohibits water revenue from being used for non-water related expenditures, but is it really the case? What if we can use water and sewer income to help pay the pension obligations? The city is already using water revenues for non-water related expenses. Of the \$30 million that the water and sewer department takes in every year nearly 1/3 of it, nearly \$10 million is used for such expenses as park maintenance, snow removal and many other items. Why is it that we can use water revenue to pay for cutting grass and no one has stopped us, yet we can't use that revenue to help with the pension obligation? It makes no sense to me. As you recall, I stood here more than once and asked you to check into the legality of the mayor's plan to use a private company to do what he says that we can't do on our own. If we privatize, it is important to remember that \$10 million stays with the water company, every year as a profit and they are not going to pay these expenses. The public is going to have to make up for that in higher taxes. Not wanting to wait any longer, I called around Harrisburg and was directed to the executive director for the local commission and what I head is a real shocker and if it is true there rationale for privatizing could be totally undermined. He said as a Home Rule Charter city, the Charter not the state laws that prevails. Together we reviewed Allentown Home Rule Charter and the administrative as we found no provisions that precludes Allentown from transferring water and sewer revenues to other departments. To the contrary, we found provisions that permit Council to transfer funds, plus he says that he knows no state regulations that would interfere with doing that. He said while he is not in a position to render judgment Allentown he believes should have the ability to use the water revenue as it sees fit. I wonder how carefully have you Council and I have been asking you to do this review are you so sure that what we have been told is an exactly the way it has been presented. Do you know all the specifics laws, codes, and regulations and statutes and restrictions and permissions upon which the bases of the mayor's statements have been made and are 100 percent sure that there is no way that we could use any of this water revenue to help pay for the pensions. Do you realize that over the term of the lease a private company could walk off with over a billion dollars in profit? Have you really looked and added up the numbers. I explained this in the handout I presented to you. We can't afford to be wrong on this. Imagine the scandal, after giving away all that profit and burdening the city with higher and higher taxes and higher and higher water rates that it was all found totally unnecessary. There are ways to solve the pension problems without privatizing and using water revenue can be part of it. You Council need to explore this. The answer to the pension problem could be as simple as a Water Revenue Bond or Council passing an ordinance authorizing fund transfers. You can't possibly justify approval a water lease with all the harm that it is going to cause as long as it is any doubt whatsoever. The question for you is really simply what are you going to do about it.

Ms. Eichenwald stated to Mr. Poresky this is incredible the information that you have just brought to our attention. I must say that I am guilty of accepting what the mayor has told us that we could not use the funds generated by the water and sewer. I don't have enough words to commend you and salute you and what prompted you to call Harrisburg. Were you looking for ways to use money to pay off the pension debt?

Mr. Poresky stated that it is interesting I was doing just the opposite. I am trying to answer the question that I have been asking you to answer and that is why can't the mayor get away with using stand-in a private company to do



what he says we can't do. How could that possibly be legal? It is the same thing. Water rates are going to go up 2.5 percent a year and that \$10 million is going to be used every year that we are going to have to make up with by charging everybody taxes. That is going to be used to make back that money that they are giving us which is going to pensions. It is a shell game and how could that be legal and I was looking to find out an answer and instead he says of course its legal and it is also legal for you to do it.

Ms. Eichenwald stated that if we were on a television show and at this point we were the jury at this point we would say case dismissed. I think this is such powerful information that you have brought to us. Are you sure of this information.

Mr. Poresky stated no, I am not sure. I am only saying what I got from one person who happens to be very knowledgeable who is in a position of really knowing his stuff, but I am not sure. That is your responsibility. I am not the one gets to vote on this. I am not the one who gets to make the decision on this. It is yours. How could you possibly be even considering voting yes on something when there is any doubt whatsoever that it is some way that you could use water revenue to help pay for the pensions.

Ms. Eichenwald stated let me clarify the two most important issues that you have stated. Number 1, you stated that this gentleman from the state in Harrisburg said that no way does it says in our Charter that we can't do this, correct and nowhere does it says in the state regulations that we can't do this. I can't do this, I am saying using our water profits to pay for the pension obligations.

Mr. Poresky stated that there is wording in the state Charter about using funds from a department within that department and violate that every year. Do you realize about 10 percent of our general fund expenditures in this city come from water revenue. We are already using it and 10 percent of our revenue is supplemented and coming from water money and he said the reason why that has not been a problem is because you are a Home Rule Charter city. Your charter rules supersede state rules.

Ms. Eichenwald stated that she is struck by the fact and you have mentioned billions in profits. Is that exaggerated?

Mr. Poresky stated that I thought so too, but you will see some information on the handout and I started looking at this 2.5 percent and the wording on it that the mayor has used. For sixteen or seventeen years the water company can increase the profit 1.5 or 2 percent a year and 1.5 percent each year after that. I started figuring that this money is on top of their cost of operations increased. The CPI which I believe is being revised in the final agreement to be more generous than the CPI so that their cost of increase of operations that can go up for whatever basis that is. On top of that they can get 2.5 percent which doesn't sound like a lot, but 2.5 percent every year compounded in just ten years is about 30 percent over the seventeen years and in seventeen years of this 50 year agreement that amount adds up to a 50 percent increase in rates compounded on top of their cost of doing business and that is all profits. Remember this when we handed out and talked about water rates going up. That is without inflation. That is just profits going up and money and rates we are paying. We are going to be paying 50 percent more not just 50 percent more rates. That's 50 percent more on top of their cost of doing business. When you add that up that is easily over a 50 year period plus the \$10 million every year that we are not getting services to the city. Yes, it is over a billion dollars.

Ms. Eichenwald stated that her final question goes to the administration and in lieu of what we just heard from Mr. Poresky how do we justify using the profits for exactly what Mr. Poresky told us for parks and recreation and in other areas. How do we justify using the money for those issues and not justifying that we could use it to help us with the pension obligations?

Mr. Strathearn stated with all due respect to Mr. Poresky. I am sure that he did a lot of research and it sounds like he did a lot of research. I am not taking this as gospel. I want to sit down and go through it all line item by line item because if you recall on September 27<sup>th</sup> or September 29<sup>th</sup> of last year 2012 Scott Shearer from PFM presented a multi-page addressing of how the numbers are going to be. He asked Mr. Poresky who he spoke to at the state. Can you name who it was?

Mr. Gurdy stated that he thinks they all want to know that.

Mr. Poresky stated Michael Gaspar.

Mr. Strathearn stated that the last name that I know that was the executive director from Fred Reddick and we will be glad to sit down and talk to them. We know that there was state legislation passed at the end of last year concerning this and got an opinion from Counsel. This issue was raised several months ago and we got an opinion from counsel.

Mr. Gurdy stated several times.

Mr. Strathearn stated that we will be more than willing to look into it. As I am sitting here though and I can understand the points that Mr. Poresky is making the fact of the matter is that it still doesn't address the unfunded liability which is getting worse as time is going on. What he is talking about is the all different payments and the shift in money is again paying the minimum balance that we have. You are shaking your head no, Ms. Eichenwald are you disagreeing with me.

Ms. Eichenwald stated yes, I am.

Mr. Strathearn stated that his proposal is attacking the \$200 million plus minimum unfunded liability.

Ms. Eichenwald stated no. We have certainly heard other areas, other attached to that.

Mr. Strathearn stated we have, how.

Ms. Eichenwald stated that Mr. Hunsicker just told us about profit and many other things that we could do.

Mr. Strathearn stated that we need in excess of \$200 million. Our unfunded liability is the fuel that drives the MMO. This isn't a shell-game. This is the wrong words to use in a serious situation like this. We have a very serious problem in an unfunded liability that it is what it is. We had the best actuaries in the country come here and tell you that and they are willing to come back and tell you that again. We can't do anything unless we cut off the gas, the fuel that is fueling this fire.

Mr. Poresky stated that the shell-game I was talking about was using private entity to do what the city can't do and justifying using a private entity to do what the city cannot do. That was the shell-game I am talking about. By that I stand. The other thing I was addressing was how could this water revenue do that. I just said there are two items one is just the \$10 million a year knocks down and if that was to be directed towards the pension. If we privatize that \$10 million has to be made up of taxes anyway so let it be made up of taxes and instead of using it to cut the grass, use it to pay the pensions. That's \$10 million a year off of the minimum MMO plus. Then if you took some of that profits, remember that will be increased water sales that the company is going to do. I was talking about two things the 2.5 percent and the \$10 million. Then there is the increase of the water sales and the renegotiation of contracts with the signatories. There are a half of dozen things they are going to do to increase those profits. That money could be used to fund a revenue bond. The revenue bond could be used to pay the MMO. Whether you use 50 percent or 75 percent it could be used to pay some of it which basically undermines the idea that taxes are going to have to go up 50 percent if we don't privatize. It just takes the legs right under the argument that we have to privatize.

Ms. Eichenwald stated that before Mr. Poresky goes we have to clarify some course of action. Are you going to get in touch with Mr. Gaspar?

Mr. Strathearn stated that I am going to talk to the members of our team tomorrow and report back, talk to Council, check out everything Mr. Poresky said and try to figure out because we are still going forward with the process that we have and we will check out everything that he has said. I am sitting here still because my frustration is that it doesn't get to the unfunded liability.

Ms. Eichenwald stated that her question right now is will you speak to Mr. Gaspar.

Mr. Strathearn stated that I will find out who he is or if not I will talk to Fred Reddick who as far as I know to find out who he is and make sure. It is a he said she said. He gave the Home Rule Charter, the Third Class City Code. We are definitely going to explore it.

Mr. Dougherty stated that we are going to do our due diligence.

Ms. Eichenwald stated that forewarned is forearmed. All I am requesting is that we do our due diligence.

Mr. Guridy stated that we are doing our due diligence and second we have some of the best experts in the country to come over and speak to us and we are going to continue to do that and we are definitely going to check out what you gave us and double check it again. I have heard it from many other people besides the mayor that we cannot use the funds from the water to pay for the unfunded pension liability. There are a lot of other things that I had questions about including the issue about the third class city Home Rule Charter superseding the state.

Mr. O'Connell stated that would be my question and I would like the solicitor to check that. Does the Home Rule Charter indeed supersede state laws that prevail and obviously you need to do research on that for us. Mr. Poresky, with all due respect I personally believe that this is a gut-wrenching decision. It weighs heavily on me many mornings, many afternoons and many nights so I will and I am doing my due diligence. That is personally from me to you and I will continue to do so.

Mr. Guridy thanked Mr. Poresky for providing this information again. I will double check and triple check because it sounds like you said some things that are totally different than what we have been told by many people, not just the mayor. I will continue to double checking and I am sure everybody else is going to do their due diligence.

Mr. Schweyer stated to Mr. Strathearn for the record Mr. Gaspar is the executive director of the Local Government Commission so he would be the appropriate person. Again, they are not a judicial or quasi-judicial entity in this whole thing.

Mr. Strathearn asked if he was part of DCED.

Mr. Schweyer stated with the Local Governmental Commission. He is the executive director of the commission. You might want to start with Mr. Hanlon because we have already started research and Mr. Hanlon and I already were trading emails from the northeast and it already started on that very subject. You may also like to include Mike on that, not saying that you wouldn't. Just so you know we have already started some of that research for you.

Mr. Rich Fegley, 1002 S. Bradford Street, stated that this comes to him as news as well. It hits him because he is speaking at his business for people that are coming the Brew Works talking about the water lease issue and a lot of citizen said that any of the revenues that come from the water system, they are not allowed to use those funds. That has been kicked around a lot and it comes back the \$4.5 million royalty fee that we will get when you see the numbers about a \$10 million revenue that comes into the city and these funds are being shifted when we are being told that we can't legally shift this money. I am still sitting here with a lot of confusion about what we can and can't spend these profits on and basically we are saying that we have a very profitable water and sewer system and the mayor and the administration have continued to tell us that any of those profits can't be used towards this pension problem that we have. One of the things that the concerned citizens had is that maybe the answer to the problem is a multiple things that we could do. We can raise water rates a little bit, we could have an EIT for this, taxes can go up a little bit and when we combine that all together that's starts hovering. Again, he hears the administration arguing that we are trying to say our one solution is to raise the water rates and use that to pay for the pensions. I think what Mr. Poresky and everybody else is trying to point out is that it is a solution of a combination of things we can do to raise the money that needs to cover our pension problem. I sit here and say I don't understand how the administration can't straight up and say Mr. Poresky is wrong this evening. Even members of Council to be able to say, yes Mr. Poresky is wrong we reviewed this and we looked at the law and it is not allowable. I was wondering

how the administration and council said that we trusted the mayor. That is what I am hearing this evening and I am shocked by it. Should we trust anything that has been presented to us at all? The fact that the administration tonight can't answer Mr. Poresky is wrong that obviously hasn't been researched at all. This is how I see it and I am quite frankly shocked. Misinformation has come from the mayor. This whole thing is based on PFM's report and we went on what PFM and the mayor have said and everyone has trusted them and here we are sitting here tonight saying I don't know. I want to put all that on record. I am floored because I can't believe we can't get an answer this evening saying no, this has been investigated. We spent over a half of million dollars investigating at this point. After a half million has been spent, we can't answer this question. That is off the table this evening.

Ms. Eichenwald stated that in lieu of what Mr. Fegley said once upon a time I made a motion that we have a blue ribbon commission. That we sit down and discuss all these issues and there was not a second. I don't know if this is procedural correct, but I will attend it again this evening. I would like to make a motion that before we continue to proceed with this privatization of the water that we form a committee in which we can really study all of these issues.

Mr. Guridy stated there is a motion on the floor, is there a second.

Mr. Schweyer seconded the motion. I will be happy to so that we can have a conversation about it. However, I believe point of procedure that we have to suspend the rules to do that. I don't think that we could do that during courtesy of the floor.

Ms. Eichenwald stated that she will wait. I will be happy to wait.

Mr. Schweyer stated that he will be happy to second your motion, but I don't believe that we could do it.

Mr. Guridy thanked Mr. Schweyer for pointing out that we are still under courtesy of the floor.

Ms. Claudia Steckle, 423 N. 27<sup>th</sup> Street, stated that her comments and questions are also in regards to the water sewer lease issue, but in light of Mr. Hunsicker's presentation and Mr. Poresky's comment some of my points might be mute or partially mute. I prepared them and feel that I would like to go forward in saying them. I was born and raised in the Lehigh Valley and lived most of my life along the Little Lehigh Creek and along with my husband who was also raised in the Lehigh Valley we have lived in Allentown for the past 18 years. I run a small home-based service business in the city which I established in the city upon moving to the city and I say that just to let you know how much I care about what happens with the water and sewer issue. In discussing the water and sewer issue I am with RGNA (Rose Garden Neighborhood Association), but I don't need a full five minutes. In discussing the water/sewer lease issue, my husband and I found that we be willing to pay a significant city property tax increase of at least 25 percent or perhaps a full 35 percent stated by the mayor of the amount that would be needed to keep the water sewer system in the city's hands and it made us wonder any other city property owner might feel likewise. They would be willing to pay some increase and I wondered whether it would have been a public pole put to the city on that specific matter. How many people be willing to pay an increase. I would hate to see the city would move ahead with privatization of having assumed the residents aren't willing to step up to the plate financially. If we couldn't make the full 35 percent increase as individuals we could possibly make the short-fall up through higher water rates. I have longed held the belief that critically important natural resources and none is more important than water should bare a cost of use that reflects the value of the resources. Water has always been sold so cheaply in the developed world. We allowed ourselves to readily waste it and take for granted too long. I am wondering whether the city has asked the residents and the property-owners whether they will be willing to make an increase and pay an increase in property tax and water rates for the purpose of keeping the water sewer system in the city's hands and even with privatization moves forward or seen as necessary if in doing the combination of various things, including the property tax increase and water rate increases that at least in doing so it could possibly lessen the duration of the contract instead of 50 years less, 25 years or less. I would like to know if the citizens at-large was asked if they were willing to pay increase.

Mr. Guridy stated to answer your question more directly we haven't asked that question to the citizens. As you may know we have the highest tax rate in the region and we don't have a city tax like Lower Macungie for an example. I think the mayor mentioned a 75 – 100 percent increase, not just 35 percent. That is a different issue.

Ms. Steckle stated that in the paper it was listed as 35 percent.

Mr. Guridy stated that might have been a long time ago.

Mr. Strathearn stated that he wanted to address Mr. Fegley's comments.

Mr. Schweyer stated Ms. Steckel is up.

Mr. Guridy stated that the issue about the 35 percent tax increase. Seventy-five percent he has also said.

Mr. Strathearn stated that we are going to have to adjust our assumed investment rate of 8 percent down to at least 6 percent and that is going to drive the unfunded liability up higher which is going to make the MMO drastically higher. The reason why the administration is receptive to listening to the ideas is that we are willing to look into it. We will look into anything. We are not closing doors. We will be glad to check it out, but I know we had legal opinions of this and we spent a lot of time on this. When the new legislation was passed by the urging of the Pennsylvania Authorities Association in the fall it blew it all under the microscope and I am comfortable. We are doing as much due diligence as we can on this. A ton of stuff has been done on this and what really prompted this was the new passage of the legislation and enactment of it in the fall of last year.

Mr. Guridy stated that for the record I want to be on the record saying that I am not just taking the mayor's word on this. I have done research and talked to other people and that is a fact.

Mr. Strathearn stated that I think we have a letter of an opinion or a formal opinion explaining to city council where we stood. This was raised months ago.

## **5. Approval of Minutes: January 16, 2013**

Approved by Common Consent

## **6. Old Business**

Ms. Eichenwald stated that her remarks will be geared towards the PILOT Program and the PILOT Program stands for Payment in Lieu of Taxes. It is directed towards nonprofits that owns considerable amount of properties within the City of Allentown. Obviously, I am speaking about universities, colleges, hospitals, any nonprofit that owns substantial amount of property. In lieu of what we have been discussing tonight about ways to increase our revenues, I brought this up several times that we should look into a PILOT Program. It goes back four years ago, three years ago, two years ago, last year and I am back this year with an attempt to see if we could move forward. I am sure you read in the Morning Call that Bethlehem is seriously in negotiations now to create a PILOT Program and Mr. Hanlon had some of the interns do some work and it is definitely the trend. City after city after city is looking in to talking to nonprofits and to see if they would offer to the cities that are in such financial difficulties some payment in lieu of real estate taxes in which they are excused. My proposal for this evening Mr. President is that if you would authorize the creation of an Ad Hoc committee that would be comprised of three members of City Council, two members of the administration, and where we could sit down and discuss how we could proceed on this issue.

Mr. Guridy stated yes, I would authorize that and asked if you would be the Chair for that committee. I have spoken to Mr. Glazier and he said that he would be willing to participate in that committee. Mr. Schweyer has a conflict of interest, but anybody else on the dais would like to be part of that committee, Mr. O'Connell and I would ask Mr. Dougherty to please identify two people one from the finance department perhaps and someone from public relations for public works who knows about it. I thought about Heidi Baer, but it doesn't have to be her, anybody that you will feel appropriate and would fit this committee.

Ms. Eichenwald stated that she recognizes ANIZDA as a separate body, but since we do have fiduciary responsibility for the City of Allentown and in addition we also were responsible for appointing the members of the ANIZA. What I have to bring up is just an ANIZDA issue. I am excited as anyone else about the redevelopment that is taking place

in downtown and because I share everyone's excitement I want to make sure that the judiciary responsibility that ANIZDA owns and are responsible for is carried. I read in the Morning Call that there are 360 businesses currently in the NIZ zone. Several of those are shuttered and they are not active businesses and let's say there are 300. I also read there are \$175,000 has been allocated to encourage these businesses to complete the NIZ forms. The NIZ form being that the businesses have to complete is that instead of the taxes going to the state of course other than real estate taxes that they stay in the city, in the NIZ zone. If you take those 300 businesses that we assume are in the NIZ zone and you divide it into \$175,000 that is \$570 being spent for every business to fill out a form. This form and the process of the form and the conclusion of it will not cost the businesses any money. It only means that the money will stay in the NIZ zone and these businesses will then profit from what they have then made this effort. It is in their own interest and yet \$570 for a business to fill out a form. The Morning Call also reported that 90 businesses filled out this form last year. If you take those away and divide it you will assume that they filled it out last year or they will fill it out this year which brings us to about 200 divided by \$175,000 and you are now at \$870 expenditure for a business to fill out a form that they are obligated to do and if they don't do it they will be fined \$1,000. This makes no sense. At the same time we read the ANIZDA has expended all of the NIZ funds and I am concerned about judiciary responsible. It has nothing to do with my enthusiasm about the NIZ zone, it only has to do with financial responsibility. Eight Hundred and Seventy Dollars spent for 200 businesses to fill out a form that would benefit those businesses.

Mr. Guridy asked Ms. Eichenwald is she directing that to anybody.

Ms. Eichenwald stated that she wants to direct it to the public record and she hopes that Mr. Strathearn and Mr. Dougherty will convey those or she will do it herself at the ANIZDA meeting. I want to make City Council aware of this issue. This is only one issue that I am aware of and I thank the Morning Call for bringing it to light.

Mr. Guridy stated that it would be a good idea to speak to the chairman Seymour Traub and get that cleared up.

Mr. Strathearn stated that it was raised at the last Budget and Finance committee that it was some questions regarding the number of vacancies in the water and sewer fund. We have twelve vacancies in the water fund and eighteen in the sewer fund and I think there were concerns on why some of them were there so long. I talked to Mr. Young about it today what specifically were the questions besides the questions the questions on these vacancies.

Ms. Eichenwald stated that she was looking for an explanation. It seems that many of them are union positions. Why are they vacant so long when other departments have two vacancies, or three vacancies? Thirty vacancies in a water and sewer department combined seemed to me to be not proportioned and I wanted to know why there are so many, especially so many of those positions are union positions.

Mr. Strathearn stated that union or non-union doesn't have any difference in that. To fill them we go through due diligence process. When the vacancy occurs, it goes through a process.

Ms. Eichenwald stated that there are several reasons why there will be so many. I would assume when you are running a business. Number one, you can't find people to fill these vacancies or number 2 you have decided these positions aren't necessary. What I am asking which of these are the reasons you had vacancies in the water and sewer department.

Mr. Strathearn stated that one of the things that we looked at in every vacancy throughout the department is right across all of city government, the mayor said many times that we are at our lowest number of employees. It is an approach of doing more with less. Every time there is a vacancy we walk through and think through and see can we do and hold back on that for a while. The longest goes back to May 2, 2010 from 2012. You try to hold down expenses wherever you can.

Ms. Eichenwald asked if Mr. Strathearn is saying these are needed at this moment.

Mr. Strathearn stated that he did not say that.

Ms. Eichenwald stated that they are needed, but they just are not being filled.

Mr. Strathearn stated that it is a balance between what we can afford and getting the job done.

Ms. Eichenwald asked why so many in this two departments.

Mr. Strathearn stated that probably proportionately it is probably one of the largest departments that we have in terms of employees. We were able to re-staff the police because we got good grants. We had thirty in the last couple of years, thirty police officers through the grant programs. We have gotten ten, ten and ten a year, but there has been no policy direction in terms of cutting back.

Mr. Dougherty stated outside our primary fiduciary responsibility and also about the budget. I have the same problems in the parks department. Mr. Schweyer brings it to my collective attention and does Mr. O'Connell and the others here. I have the same proportions of workers out there to on unfilled vacancies and some work is not being done as a result of it and the priority for me as the manager is to say that I consider these jobs as important, but what are the critical jobs that I need. They are still doing what they need to do. Yes, overtime is up, but when you equate from a cost-benefit perspective this is how we keep the city running. I wish I had the ability to fill all these vacancies because it is to sustain jobs and that is what I stand for. We have the first responsibility to the finances of the city and we have to keep the city running. It is some hard choices on what gets filled and what doesn't get filled. I give you one pertinent example, in the water department when Kerchusky, Craig Messinger and Rich Young came to me that we were down in Treatment Plant Operators. These are licensed professionals, very good jobs and 24/7 operation for their shift work. They needed at least two more vacancies filled in order to not burn out the rest of the TPOs, I consider that critical and I made sure under my advice to sign the necessary paperwork to hire two more TPOs and it is an agonizing process and I know that Council is concerned and I hope that we get through one point after this proposal if it goes through that we will have the wherewithal to have the necessary compliment of workers in every department so that we can make a great city even better.

Mr. O'Connell stated that you touched on something, Mr. Strathearn stating that it is one of the largest departments. What I would like to see and maybe it would be good to see it. Let's take each department and see how many people supposed to be in that department and how many unfilled and let's go for a percentage rather than numbers. That is simple enough to do. If there is thirty unfilled position and you have 120 you have 25 unfilled. In parks and recreation you have ten unfilled you have 40 percent. Numbers and numbers, but I would like to see the percentage of unfilled positions is sand that will give us a better understanding of where we are at.

## **7. Communications**

None

## **8. Committee Meetings**

Budget and Finance: Chairperson Schweyer

The committee met on January 23<sup>rd</sup> at 6:00 PM and the results of those meetings are as follows: we decided that Transfers will be vetted by committee and by topic so council could trust in the committee structure to assume that the committee will have some kind of understanding of various departments of the city. Committees will review any paper Transfer and you still need the four signatures. Mr. Hanlon will send the Transfer request to various committees in conversation on a timely factor. We would certainly do so by phone or email so that we won't holdup the day to day operations of the city, but will give us a little more confidence that Transfers are taken more seriously. We had further discussion on the Line 46 issues and we have had some dialogue in terms of Mr. Hanlon and I and Ms. Koval and I talked about possibly looking at the definitions in the budget of what should and should not qualify as a Line 46 budget item, but we don't have anything final and that is an on-going process and we are taking that seriously as a way to try to gain control over that interline item transfers. We came to agreement with the administration that if there are any major changes to the budget for 2013 i.e. with the administration and council's support privatizes water, sells the operations to an authority or creates our own authority, whatever that will ultimately not look like it will have a dramatic impact on our MMO and our various budget line items and any corresponding changes to the budget will be by a bill and not through the transfer process to increase the amount of oversight. Tonight, we had another meeting that everyone was here for. We reviewed R2 and R3 and those are not on tonight's

agenda as per our conversation and with your permission we asked that they are not on the agenda until we hear definitively from the department of justice and the FAA. We unofficially reviewed R6 and the administration has asked for us to vote on this evening and there were no objections by the committee. The next meeting is scheduled for February 27<sup>th</sup> at 6:00 PM.

Public Safety: Chairperson Eichenwald

The committee met this evening and has an item on the agenda.

Community and Economic Development: Chairperson Davis

The Committee has not met since the last council meeting; the next meeting is scheduled for February 13<sup>th</sup> at 6:00 PM.

Parks and Recreation: Chairperson Mota

The Committee has not met since the last council meeting; a future meeting has not yet been scheduled.

Public Works: Chairperson O'Connell

The Committee met on January 9<sup>th</sup> and has one item on the agenda tonight, vacating a street; the next meeting is scheduled for February 13<sup>th</sup> at 6:30 PM and the traffic control map will be a concern and we will go over that. We have two or three items on the agenda.

Human Resources, Administration and Appointments: Chairperson Glazier

The Committee has not met since the last council meeting, there are not future meetings scheduled.

Rules, Chambers, Intergovernmental Relations and Strategy: Chairperson Guridy

The Committee has not met; a future meeting has not yet been scheduled.

## **OTHER COMMITTEE REPORTS**

Mr. Schwyer stated that the Lehigh Valley Planning Commission has been listed here as a dash and a blank space for council's and he has been approached by county executive Bill Hansel to fill that slot and he has not yet been vetted by the administration or the county commissioners. I will keep you posted.

Mr. Guridy stated that there was an Allentown Housing Authority meeting last week and I was not able to attend due to work, but the minutes will be sent to you shortly.

Mr. O'Connell stated that I am the councilperson's representative for the Allentown Parking Authority and I didn't have time to state it then, but when we have that discussion next week for Public Works about Business Park Lane and Allentown Drive, let's invite Tamara from the Allentown Parking Authority.

### **Controller's Report**

Ms. Koval stated just for Council's information she, Mr. Schwyer and Mr. Hanlon will be meeting the representatives of Maher Duessel which is our outside audit firm. We are starting the preparation for the 2012 audit and we will be keeping you informed on how it progresses.

### **Managing Director's Report**

Mr. Dougherty stated that as promised the report on the progress of the east side fire station conceding that our desire not to hire an outside consultant and contractor and try to do it in-house exceeded our capacity to do so. We just hired a project manager to oversee the design built working with W2A, the architect to expedite the construction. There is a very important meeting this Friday on how the layout of the plan should be presented to the city and the team from W2A and from our project manager. If all goes well and we agree on a budget and some of the value engineering shaved about a \$1 million off of the \$1 million cost to overrun. The final bid documents are expected to be completed in 4 to 6 weeks. Bids should go out to the streets by April 1<sup>st</sup>. The award of the contract should be completed by May 1<sup>st</sup> and construction can start from thereafter. I made a very conscious effort this winter to keep council informed of how we treat and attack snow. I hope you find those memos informative about the great things our city crews are doing. We are spending a lot of money on these nuisance storms, no doubt about it, I do want to acknowledge one thing that Craig and Mark Shahda under Rich leadership have done in Public Works to save some money. As you probably noticed on the streets we are now mixing our salt with what is called the anti-skid device material. Just to put it in perspective a ton of salt costs about \$65 a ton. A ton of the anti-skid material cost \$10 a ton. We are now mixing that. Since last Saturday's fighting these too numerous to remember nuisance storms, Streets has already saved \$28,000 of their budget by mixing this accordingly. I just want to point that out. They are always trying to be innovative and save money and make sure the streets are passible.



Mr. O'Connell asked if that solution is called brine.

Mr. Dougherty stated yes. It is different.

Mr. O'Connell asked how long does brine last.

Mr. Dougherty stated that it last until either the next rainfall that washes it away, but it actually has a longer self-life. If it doesn't rain the residue still plays a part in making sure that bond doesn't exist between the ice and the asphalt. If it doesn't rain, it lasts and we don't have to use as much.

Mr. O'Connell stated that we are getting a storm on Friday and they start putting that brine down on Tuesday and it lasts.

Mr. Dougherty stated that we will be brining again tomorrow. Another storm is coming in on Friday. We don't know the scale and the scope that storm is, but we will be appropriately prepared.

Mr. O'Connell stated when I see the streets white, that is not snow.

Mr. Dougherty stated that is brine. I asked our Health Director to come here tonight and want Council to hear from Vicky and the state of the flue in Allentown and the Lehigh Valley. I want to begin her talk with something that appeared on Beijing, China television featuring the City of Allentown Health Department.

Ms. Kistler stated that what transpired this year is different than it has in the past and I apologize that I did not make more copies, but you will be able to see it clearly from the picture I will hold up. These are all our previous flu seasons. This is 2009, in October or November when we had H1N1. This is this year in January and February. Unprecedented numbers of influenza cases that struck the Lehigh Valley. It was an economic development issue with lots of people out of work. It was an education issue in terms of lots of kids out of school, but it was an opportunity for huge partnership developed. Conference calls took place every Monday, Wednesday, and Friday with 18 regional area hospitals, the Allentown Health Bureau and the Bethlehem Health Bureau to strategize about how we were going to handle this because unfortunately all of our networks are CVS's, our Walgreens, our Rite Aids, our chain pharmacies, our independent pharmacies, our urgent cares had no vaccine. We were fortunate that we had ordered and had a state supply of vaccine and that our hospital networks were able to make a decision very quickly. Lehigh Valley hospital in particular was unable to administer vaccines. Their physicians offices were so busy they had erected a tent to pre-screen people that they diverted their vaccine to us and what we were able to do is disseminate the vaccine both by giving vaccine and by soliciting community partners to throw up clinics for example: We asked Westfield Hospital who was not slammed in their ER to open a free clinics using state supplies or Lehigh Valley Hospital donated vaccines and it was a huge cooperative effort. The Health Bureau alone gave 2,180 flu shots during this season utilizing the medical reserve corp. to assist our two nurses or to supplement by using other hospital staff. The hospital gave us pharmacist to assist. When the tent went up, CNN covered the tent. That got Beijing, China to see how the United States was handling flu. When they came to the United States from DC, they asked if they could film our entire process because they don't do mass immunization in Beijing, China and they need to. We assisted them in kind of devising how they could direct their flow. The reason why you don't see patients is because we did not have patients willing to be filmed, but we usually had three to four hundred of them on a Friday afternoon lined up around the health department just not really wanting to be filmed. Those were the select city residents that chose to be interviewed and the reporters actually broadcast live on Beijing Television from the inside of Alliance Hall. We just today, advised the hospitals that we felt that we are in a period now that they can lift the restrictions. They had visitors' restrictions in place. No kids under 18 were able to visit especially high risk areas like cancer centers, and pediatrician clinics and those places that they restricted visitation. As of tomorrow morning we believe that the hospitals will lift all there visitation restrictions other than to still say if you exhibiting flu-like symptoms, please do not visit others in the hospital until you are well.

Mr. Gurdy thanked Ms. Kistler and stated that you have done a great job with this flu and vaccines and taken care of it like you have done in the past.

Ms. Kistler stated that we have one other project that Fran has some photographs from that have very interesting project and that is the Lehigh County Medical Society had come to the Health Department to speak about how they could possibly influence some of the children that we have in the school district in terms of the fact that they wanted to promote health careers. What we did is connect up a nurse by the name Karen Goldner who runs a health careers club out of Raub Middle School and these are kids who would like to further their interest in the health career. The medical society is funding an enhancement to that program. They bus the kids with physicians to meaningful experiences: the body exhibit at DiVinci and actually into the hospitals and the ORs, and the treatment facilities. They brought them to us and we used dietetic interns and Tina Amato and the other dietician to create an experience at the Health Department where these kids had a health cooking demo. They then ate the food they cooked and also participated in a yoga, exercise and fitness program downstairs in our gym and will continue to support that effort and hopefully get the Lehigh County Medical Society to continue to expand their support to the school district to create these types of programs throughout ASD.

Mr. Dougherty stated that completes his report.

Mr. Guridy stated great report as always.

## **9. APPOINTMENTS**

### **Aggregate Pension Board Appointments:**

**Sean Pressmann**

**Jeff Glazier**

**Terms to expire January 1, 2014**

Mr. Glazier stated the Pension Board, Mr. Pressmann and myself.

Mr. Guridy asked were there any comments from the dais on these appointments.

**Resolution passed, 7 – 0**

### **Sheet Metal Technician Board Reappointment – Jeff Erb, Board Alternate, Term to Expire 05/06/2017**

Mr. Glazier stated that we also have an appointment to the Sheet Metal Technician Board, Mr. Jeff Erb.

Mr. Guridy asked were there any comments from the dais or from the public.

**Resolution passed, 7 – 0**

Mr. Guridy thanked Mr. Erb and the other members. Mr. Pressmann has been here with us for a while and we give you an opportunity to say a couple of words.

Mr. Erb stated that I have been with the Sheet Metal Licensing Board since the beginning of 2009. We meet once a month every month for a year or a little bit longer and established rules and the main part of the whole beginning was grandfathering, who was eligible to grandfather. You had to have a certain amount of hours in to be grandfathered and we came up with coming up with a test for Sheet Metal Licensing and we meet now every three months. It has been very production and I have been in metal work since the early 70s and it is an enjoyable thing. I enjoy doing it. All the guys do. There are only four of us, but it is a very worthwhile thing to do. It is good for the city as well. I am thankful to be on it and grateful to stay on it.

Mr. Guridy thanked Mr. Erb for volunteering to the city and helping us out.

## **10. ORDINANCES FOR FINAL PASSAGE:**

**Bill 4 Street Vacation**

East School Street from South Ellsworth Street to S. Filbert Street

Mr. O’Connell stated that they discussed this at the Public Works Committee meeting on January 9th. We had to wait a certain amount of time for the advertisement. We had one objector’s property and we approve two street vacations at the last Council meeting and we had to wait for this Council meeting for this one. The people are here for the street vacation. We did the street vacation but there was an amendment that we had to do for an amendment.

Mr. Young stated that the applicant originally applied for what is before you now, the amendment. When it came in and we looked at it, it made sense to take the street vacation form S. Filbert and Ellsworth and there is a short section coming off Filbert Street that the adjoining property owners used for access to their garage in the back of their home. What we have done is actually submitted an amendment that would back off to what they originally applied for. This has nothing to do with what they applied for. It is what we tried to do and it is right now set for the length of their property of what has been vacated and the request of the vacation. It is a lawn area today. It is a paper street.

Mr. O’Connell stated that they do maintain the property.

**Amendment:**

SECTION 1. That E. School Street, a sixteen (16') foot wide street, from the easterly right-of-way line of S. Ellsworth Street to the property line between 501 E. Walnut Street and 30 S. Filbert Street, in the Fourteenth Ward of the City of Allentown be and the same is hereby vacated.

Mr. Schweyer seconded the amendment.

Mr. Davis asked if they were talking about S. Elks Street. That is actually a paper street right now too.

Mr. Young stated that he was thinking it would be a deed, but an ease makes sense.

**Amendment passed, 7 – 0**

**Ordinance passed, 7 – 0**

**Bill 7 FEMA Grant**

Amending the 2013 Capital Fund Budget to provide for a supplemental appropriation of Two Hundred Twenty-Five Thousand Six Hundred Twenty-Five Dollars (\$225,625) as a result of a grant from the US Department of Homeland Security (FEMA) Assistant to Firefighters Grant, to the City of Allentown Fire Department to assist with the purchase and installation of the Ply-Mo Vent System for all existing City of Allentown Fire Stations.

Ms. Eichenwald stated that they discussed it this evening and it is a grant for Vent System for all the fire stations and a grant from FEMA and is competitive grant. It was recommended favorably.

**Ordinance passed, 7 – 0**

**11. ORDINANCES FOR INTRODUCTION:**

**Bill 8 HUD Sustainable Regional Planning Grant**

**Referred to CEDC**

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of Five Hundred Twenty-Three Thousand Seven Hundred and Fifty Dollars (\$523,750) representing the City’s portion of a regional grant provided by the U.S. Department of Housing and Urban Development under its Sustainable Regional Planning Initiative, and being administered by the Lehigh Valley Economic Development Corporation. The grant funds will be used to develop a city-wide re-industrialization strategy, prepare a master plan for the Little Lehigh Industrial Corridor, and undertake additional activities as may be recommended by these studies.

**Bill 9 Fearless Generator Grant**

**Referred to Public Safety**

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of Twenty-Five Thousand Dollars (\$25,000) as a result of a grant from the US Department of Homeland Security (PEMA) Pre-Disaster Mitigation Grant, to the City of Allentown Fire Department to assist with the purchase and installation of an emergency generator for the City of Allentown Fearless Fire Station.

**Bill 10 809 Hamilton Street Funds**

**Referred to CEDC**

Amending the 2013 General Fund Budget to appropriate One Thousand Three Hundred Twenty Dollars (\$1,320) from the proceeds of the Revolving Loan Fund to an Expenditure Account to pay back the Pennsylvania Department of Community and Economic Development for unused funds plus interest.

**Bill 11 East Side Fire Station Grant**

**Referred to Public Safety**

Amending the 2013 General Fund Budget to provide for a supplemental appropriation of Fifteen Thousand Dollars (\$15,000) as a result of a grant from the US Department of Homeland Security (PEMA) Office of the State Fire Commissioner, to the City of Allentown Fire Department to assist with the purchase and installation of new furnishings for the City of Allentown's East Side Fire Station.

**Bill 12 Old Allentown Streetscapes Phase II**

**Referred to CEDC**

Amending the 2013 Capital Fund Budget to provide for a supplemental appropriation of Five Hundred Thousand Dollars (\$500,000) in Redevelopment Assistance Capital Program (RACP) funding from the Commonwealth of Pennsylvania for a second phase of streetscape improvements for the Old Allentown Historic District

**12. CONSENT AGENDA: None**

**13. RESOLUTIONS ON SECOND READING:**

**R5 Allentown Emergency Operation Plan**

Approves the Adoption of Amendments to the Allentown Emergency Operation Plan (AEOP)

Ms. Eichenwald stated that the only changes here in the Emergency Operation Plan were a few personnel changes. Everything stayed the same and recommended 3 – 0 by the committee.

**Resolution passed, 7 – 0**

**14. RESOLUTIONS ON FIRST READING:**

**R6 Managed Print Services**

**R6 Printing Services**

Authorizes the Administration to Enter Into a Five (5) Year Contract with Fraser Advanced Information Systems for Managing Printing Services.

Mr. Schwyer stated that everybody was here for the conversation. R6 is a resolution on first reading that will allow us to go into this management contract and we were asked to vote on it because of the need to put several broken machines on a service contract. We treat as if it was introduced. We ask for public comment and it was informally recommended for a favorably opinion.

Mr. Guridy asked any further questions from the dais, the administration or the public.

**Resolution passed, 7 – 0**

**15. NEW BUSINESS**

Ms. Eichenwald made a motion to create a committee that will be comprised of members of city council, members of the administration and citizens of Allentown about the privatization and they will issue a report that will be presented before any final determination by city council and the privatization of water.

Mr. Schweyer seconded the motion so that they can have a conversation about it.

Ms. Eichenwald stated that it is self-explanatory and gives them an opportunity to sit down with those in favor of the privatization sale and those who are not and discuss all the issues. As I stated before forewarned is forearmed and gives them an opportunity to discuss the issue.

Mr. O'Connell asked if she is asking basically the same request that was asked several months ago. We are pretty far into the game. City Council and we have to been reading a lot and attending meetings and doing research. The administration keeps us informed. There are citizens for common sense committee. What is the timeline? Do you have something in mind as far as a timeline?

Ms. Eichenwald stated that there are citizen committees and we have here and the administration discusses issues. What I would have in mind the opportunity for all these various constituencies equally concerned about this water issue to come together and sit and discuss it. The timeline will be six weeks from the creation of the committee.

Mr. Schweyer stated to Ms. Eichenwald that he is confused a little bit on why we are doing it as a vote like this. Earlier you asked Mr. Guridy to appoint an Ad Hoc commit which did not require an act from council. Why in the same evening you are asking to be given the authority to create an Ad Hoc committee for the Payment in Lieu of and now we are being asked to vote on something when you could have simply asked Mr. Guridy.

Ms. Eichenwald stated that it was a judgment call on my part. I thought I would have a better opportunity of having this committee formed if I opened it up to all seven.

Mr. Schweyer stated you never asked Mr. Guridy.

Ms. Eichenwald stated that she would be happy to ask Mr. Guridy, but if he says no that issue is closed for discussion and because once before I made this attempt and it created a great deal of controversy and it wasn't a second so I thought it would be more advantageous for the democratic process if all seven members of city council had an opportunity to vote on it rather than leaving the decision to one person. It was a more contentious issue then investigating the PILOT Program.

Mr. Schweyer stated that I seconded a number of things because I think that you should be heard. The question of timing is not the driving force behind this. Are you thinking of seven people?

Ms. Eichenwald suggested that it will be three members of city council, two from the administration and two citizens.

Mr. Schweyer asked Ms. Eichenwald does she think she can get the work done in six weeks of the creation of this. Will there be two people willing to serve along with Ms. Eichenwald. I am trying to get a sense on how quickly a committee should be put together from Council.

Ms. Eichenwald stated that she hopes the decision will not be made based on the timing. I would prefer that we delay the decision on the privatizing of the water. Don't forget we have the May primary coming up in which it would be a ballot question. I hope that when the city council members vote on this, the timing of it, number of weeks will not be the deciding factor. Fifty years is a very long time. I certainly think that we have a few weeks to spare before we make that decision when you compare to 50 years, a decision that cannot be revoked. Once that decision is made and the decision goes to privatization there is no turning back. Let's be sure that is the right decision and take our time.

Mr. Davis asked if we will have a committee and review the whole lease process up until now. Are you talking about having meetings with PFM and the vendors or exactly what are you looking for in a committee.

Ms. Eichenwald stated that what prompted her to reintroduce this is what Mr. Poresky put to the floor today the result will be the discussion, but it showed us that we haven't covered all our basis and we haven't done enough due diligence and the way in which I would envision this committee operating is that they certainly will have questions and when the questions arise the committee will go to the proper place to find answers to their questions. If a question has to go to PFM, then we will go to PFM. If it has to go to PEL, then it will go to PEL. If it has to go to state regulations, we will go to the state, but it would give us an opportunity to carefully look at this issue with different eyes. My mother always told me that four eyes see better than two. Why not take the opportunity and give the citizens equal responsibility in this decision. The citizens earlier this evening talked to see if we had polled citizens. Let's have equal representation between the administration, city council and the citizens. Let's give them a voice. It is their water, it is our water.

Mr. Davis stated excuse me if I don't get my point across, these questions are being raised right now and they could be brought to councilmembers which if questions are brought to me I take them to PFM or whoever and I am just trying to figure out do we need a committee or can we go along how we have been going on where we have seven members up here and if someone ask a question from us we take it. Evidently, you feel that it is not enough right now.

Ms. Eichenwald stated that she feels that way. If you feel otherwise I certainly respect that choice. If you feel that we have done enough due diligence, I respect that decision. I feel that there could never be enough. Let's do this. Let's have a committee formed and let's sit and discuss and see what other solutions are available to us.

Mr. Davis stated and you want three councilmembers.

Ms. Eichenwald stated that she wants three councilmembers, two from the administration, and two citizens.

Mr. Davis asked if they would be appointed by president Guridy.

Mr. Guridy stated no, this is a vote.

Ms. Eichenwald stated that the president appoints members to the committees.

Mr. Davis asked if there aren't three that are available.

Mr. Guridy stated that the rules say.

Ms. Eichenwald stated that it is a very legitimate question.

Ms. Mota asked do we have to decide right now.

Ms. Eichenwald stated that she would assume that the people that would vote for this committee in the back of their minds it would be a possibility for them to participate and they would think this is a worthwhile.

Mr. Davis asked if there were two, would it still go on, the process.

Ms. Eichenwald stated that she would envision at the end of the committee process there would be a report. There could be a majority report and a minority report. I don't expect all seven to agree and it would help us in our deliberation as we continue along. The purpose of my making the suggestion is to give the citizens of this city a greater voice in the decision making process along with the administration and the city councilmembers.

Mr. Davis asked what powers they would have. They will sit and discuss all these issues.

Ms. Eichenwald stated that they don't have power. The power resides with the seven elected officials of the city council to make the ultimate decision. It will be another tool, another way of expanding. I certainly did not come in

this evening with the idea that I would make this suggestion, but after I heard what Mr. Poresky brought to the floor and I heard the response of the administration that they hadn't or said yes, we did speak to Mr. Gaspar and the answer is yes or the answer is no. What else lurks out there and I know at some point that we have to say that we enough information, let's make a decision. This was a suggestion from the citizens and I personally think it is an excellent suggestion and I hope that it would come to fruition. I think it would go a long way in making the citizens more comfortable with the decision that would take place. I am certainly open to discussion. Is the number seven the wrong number? Shall it be eleven? I am not tied to that. I am tied to the idea of giving the citizens more say in this decision. Just imagine the situation the city would be in had we dealt with what was the pension issue all those years ago. If we had taken our time and formed committees and listened to various parts of the city maybe we wouldn't be in the situation we are in today.

Mr. O'Connell stated to Ms. Eichenwald what you are asking aren't we doing that now. We have city council.

Ms. Eichenwald stated that we are doing that in piecemeal. Somebody ask a question and sometimes we accept it or sometimes we sigh or sometimes the administration doesn't give us an answer. We are doing piecemeal. This will be the responsibility. We are doing it, but not in the same formulaic way. Now, we are doing it while standing on one foot and I want to stand on both seats.

Mr. O'Connell stated that in other words we are going to have all the players in the same room instead of city council doing what they have to do and asking the administration to do what they have to do in respect of the citizens of common sense. We hear these gentlemen and ladies every meeting for months upon months and they have the right to do that and we listen to them and they ask questions and we try to give them the answer.

Ms. Eichenwald stated that it would be an opportunity to have an open discussion, not three minutes with a buzzer and five minutes if you were on this committee. It gives us an opportunity as equal partners in the decision to have a discussion. I have the right to speak as many times as I want and as often as want and the administration has that right. We certainly heard the mayor who has that right. I want to give the citizens the same right without the buzzer going off.

Mr. O'Connell asked if the citizens you will welcome citizens that are pro for it and anti.

Ms. Eichenwald stated exactly.

Ms. Mota asked if this committee will meet once a week.

Ms. Eichenwald stated that will be determined by the committee. That would be a committee decision. I am not tied to the number 7. I hope the vote would be for the establishment of the committee. I do feel that it is the right decision to have an extra brief.

Ms. Mota asked if Ms. Eichenwald will be the one running it.

Ms. Eichenwald stated that the committee could decide who the chairman of the committee will be.

Mr. Poresky thanked Mr. Schweyer for seconding the motion and bringing it up. I am one of the original petition on the question brought up on the agenda. I think it is important to understand that yes, you had hours of hours of presentations, but what we have not been able to do is bounce ideas back and back forth to look for a common goal. The point is right now this is adversarial and time. We want to help and the purpose of this is that we would like to see the right decision to be made. This format does not allow for the kind of back and forth of what people can say it is a good idea in an environment that can bring out ideas. Mr. Hunsicker can brought up numbers after numbers after numbers, but it is not a format that you can say what do you mean by that and actually have a chance to say let's put that on the table. I don't think anybody has a vested interest in privatizing for the sake of privatizing. You are only privatizing and the reason why we are doing it and we know it has risks. We are going to be giving things up and we know it is going to create higher rates and higher taxes and we know there are all kinds of things that will go wrong with it. If there are alternatives and a combination of things, but those combinations of things takes a group

environment where you put them on the board and shoot them down and you post them up. That is the type of things we are looking for. You have already tonight committed to do other evaluations. This is just a different kind of thing where the citizens are involved, you are involved and the administration is involved. We have no power, but we may come up with some answers that will satisfy all of you.

Mr. Schweyer stated to Ms. Eichenwald that you were not prepared to offer this tonight and I appreciate that because I wasn't prepared to talk about this tonight. I apologize if I am a little rambled. I also said over the last five years that I really hate making policy decisions on the fly like this. We said it during budget season and that is why we changed the whole budget process. We said with a number of different instances and sometimes it is unavoidable, but I generally have a problem with getting hit with something and not having twenty minutes to sit and chew on this. I don't think this is that what is being asked for in the spirit of what Mr. Poresky said is all that inappropriate. What I am concerned about is that it was offered four months ago in early October and it was just brought back up now and I am asked to make a decision. To the administration, at the moment I am less interested in your reaction on how this could impact the process of determining the value of the water and sewer systems. I am wondering if we are able to accomplish a similar goal which is Mr. Poresky's point of a non-adversarial outlet and getting a group of interested citizens and members of the administration and council and the private consultants hired by the administration or council to look at this is a room and bounce ideas off of each other with a promise to get back to each other in a couple days, weeks or as the case would be so it is not the PowerPoint presentation where everyone nods or shakes their heads. We don't need a committee to do that. The fifth floor conference room is council's conference room. We don't need a formal committee to have a conversation between elected officials and citizens. I do hesitate just making this decision in a matter of an hour.

Mr. Davis stated that if we form a committee like this I would be interested in who on the administration will be on this committee. Is it two volunteers or two people that the mayor is going to appoint?

Mr. Schweyer stated that it will be council's appointee and council has the veto power.

Ms. Eichenwald stated that to Mr. Schweyer she does understand the hesitation in not calling it a committee, if you want to call it a committee that is fine with me. I certainly would be in agreement with that. I don't understand what the risk in doing this. The advantage is we have seen the citizens come here in quite a large number of being on council. In my years of five years going into six I have never seen so many people come to council meetings. What is the risk of having greater citizen involvement? What is the risk of having discussions? What is the risk of stepping aside and stepping back a bit and listen to others where everybody has equal say. The power still resides in city council to make the ultimate decision and power still resides in the maceration that the administration has set up for the RFP. It only gives us an extra opportunity to discuss, to ponder, to think, to investigate, and to get other ideas. If you don't want to call it a committee I am fine with that. Don't call it a committee, let the process continue.

Mr. Schweyer asked if Ms. Eichenwald was fine with having a couple of meetings with concerned citizens with members of council and experts.

Ms. Eichenwald stated that it has to have structure in order for efficacy. There has to be structure. Some people have to be responsible and there has to be some set of rules of which to operate and some procedures under which you operate. I don't see it working under a free-for-all. There has to be some structure. You don't want to call it a committee and have more people involved, I am fine with that.

Ms. Mota stated that if it needs to be structured then it is a committee. I still don't understand. What are we going to call it if it needs to be structured with three people from city council and two people from the administration, and two people that are concerned citizens, it is a committee.

Mr. O'Connell stated that he thinks it will throw a wrench into the process. We talked about this four months ago with respect to Ms. Eichenwald and she did not get a second to form a committee and they formed a very good committee, the citizens for common sense and they have done their due diligence and have done their homework and we have listened. You said February 25<sup>th</sup> the RFP is going out. That is 19 days. I really do think that if we do form this committee and Mr. Schweyer starts going into a room and bouncing things off I is going to be a formularized



committee or blue ribbon commission. It is going to be a formalized committee and I think people said it won't affect the process. It won't affect the timeline. I think it will affect the process and will affect the timeline.

Mr. Davis stated that I talked about the structure of the committee and suppose we vote on it and someone says we need more residents, or more people from the administration. If we had a structure lined up. I try to listen to the residents every time they brought questions up; I take it to the proper people to answer the questions. If we form another committee in this late stage suppose only one councilmember volunteers. You appoint three and two can't make it and it may be one person from the administration. If the structure was laid out I will feel comfortable on making a decision.

Mr. Guridy stated that he can appoint a person to anything, but doesn't mean that I can make them go to the committee meetings.

Ms. Eichenwald stated that she appreciate what Mr. Davis is saying and stands by her original proposal. I suggest that it be a committee and all that it entails. There will be three members of council, two from the administration, and two citizens.

Mr. Strathearn stated that this is very perplexing. We are this close to at least knowing where we stand and that was the concept behind months ago when you all hired the Pennsylvania Economy League so that at least you can have a measurement of the metric of this number versus other things and PEL is in and they are going to have something. We have had numero7us public meetings. Let's remember, this conversation starting in June and in the month of August four Thursday evenings, north side, south side, eastside and west side of Allentown public meetings with the citizens coming in with questions and dialogue with pretty good turnout. The average was about 35 to 50 people in the room. The public meetings where council, the city clerk, the controller, and members of council was invited and Mr. Guridy came to a couple, Mr. Davis was spending a lot of time at a lot of the meetings when available, Mr. Schweyer spent some time at a couple of meetings. Everything has been open and as much information has been put out without sacrificing the competitive nature of the process and the confidential business practice and as soon as we get to a certain step of the process, one of issues that made it so long and made it unique as he understands it in the country is the fact that we made this thing so competitive. Normally, in a situation like this is preferred competitors are narrowed down to one or two and they go and we have six that are going to compete on a document that it's the hours. The reason why I left and came back is because I did not want to miss this discussion. I have about sixteen conference calls tomorrow to work on stuff about the operating practices and your representative and your representative, Dan Koplisch hasn't missed a meeting. He is the author of with one of the country's finest engineering firms the Operating Standards and Practices that are going to be in effect as part of the agreement so to do this at this stage, when literally we are this close, four months ago, no and on PEL's recommendation to look at the number. Again, we are this close. Give this a fair shot because again, all the alternatives that have been proposed what they do is address the surface of and they don't get to the unfunded liability. We have a horrible situation with the unfunded liability that we have. We can't borrow, tax, spend or invest our way out of it. In a couple of weeks, we will all know where we stand. You have a phenomenal team. You can't get a better firm than PFM. We have some of the best brainpower in the country working on this and to thwart that now like there has been some sinister way to do this, believe me I don't know any other way of attacking the unfunded liability.

Vote on the motion to create a committee to study the privatization of water and report to council within six weeks; the membership shall consists of three councilpersons, two citizens, chosen by the council president and two members from the administration failed 6 -1.

## **16. GOOD AND WELFARE**

Mr. Schweyer asked Ms. Eichenwald about Mr. Hershman's question during the budget and finance committee about the pending retirements in the police department and I just wanted to put that on your radar screen. I am not sure if that will be part of a future Public Safety committee meeting. If so, I would like to know so that I could be there if at all possible. He stated to Mr. Atiyeh about him asking about the Water Authority and if the city could create an Authority and asked Mr. Hanlon if they would have to bid. I think that an Allentown Authority would have to be required to be part of the bidding process. He asked Mr. Hanlon to get the answer.

Mr. Guridy stated that he concurs with Mr. Schweyer.

Mr. O'Connell stated kudos for Chief MacLean. There was a press release sent out by Mike Moore today. Chief MacLean is getting The Inez and Edward Donley Award for Children's' Advocacy for early childhood education. We are proud of his accomplishments and proud that he is getting this award.

Mr. Guridy stated that he is very concerned and disturbed and Ms. Eichenwald is on the Public Safety Committee. We have had three homicides this week. That is very concerning to me and something that I have ever seen in the city before. Things should be getting better because we have hired more police officers. I am perplexed that we are at this point. I would like Ms. Eichenwald' s committee to take that into account.

Ms. Eichenwald stated that it is an excellent suggestion and they should schedule a committee of the whole.

**17. ADJOURNED 9:46 PM**

*Council meetings are held on the first and third Wednesday of each month beginning at 7:00 pm in Council Chambers. For copies of the agenda or meeting announcements, please visit our website at [www.allentownpa.gov](http://www.allentownpa.gov) or contact the Clerk at [Michael.Hanlon@allentownpa.gov](mailto:Michael.Hanlon@allentownpa.gov) to receive an email notice of the meetings.*