

Minutes of the Council of the City of Easton, Pa.
August 28, 2014

Easton, Pa
Wednesday
August 28, 2013
6:00 p.m.

City Council met in stated session at the above date and time, in Council Chambers, 6th floor of City Hall, One South Third Street, to consider any business that may lawfully be brought before the body.

The invocation was given by Mayor Panto, followed by the Pledge of Allegiance.

ROLL CALL

Present: Edinger, Ruggles, Vulcano, Warner, Warren, Panto (6)
Absent: Brown (1)

Also in attendance were Rita Messa, Assistant City Clerk, William Murphy, City Solicitor and Glen Steckman, City Administrator. There were forty-two other persons present.

APPROVAL OF AGENDA

The Agenda was moved on motion of Dr. Warner and Mr. Warren

On motion of Mayor Panto and Dr. Ruggles the Agenda was amended by removing the following from the Consent Agenda by the following vote:

1. Bill 46, Amending Section 110-47, Pensions of the Code of the City of Easton Pa.
2. Bill 47, Authorizing a General Obligation Note.
3. A Resolution which would approve an Agreement for the turn-back of State roadways to City ownership.
4. A Resolution which would approve a Professional Services Agreement with Pennoni Associates for a 4th Street Traffic Study.
5. A Resolution which would approve a Professional Services Agreement with Pennoni Associates for 13th St. corridor Improvements.
6. A Resolution which would approve a Grant Agreement with the Greater Easton Development Partnership.

Yeas: Edinger, Ruggles, Vulcano, Warner, Warren, Panto (6)
Nays: None (0)

On motion of Dr. Warner and Mr. Warren the amended Agenda was approved by the following vote:

Yeas: Panto, Warren, Warner, Vulcano, Ruggles, Edinger (6)

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Nays: None (0)

ACTION ON MINUTES

On motion of Dr. Ruggles and Mrs. Vulcano, the August 14, 2013 Council Meeting minutes were approved as submitted by the following vote:

Yeas: Edinger, Ruggles, Vulcano, Warner, Warren, Panto (6)

Nays: None (0)

SWEARING IN
POLICE SERGEANT, DETECTIVE AND OFFICERS

A ceremonial swearing in was conducted, by Mayor Panto, of the following Police Officers:

Sergeant Daniel Bonham
Detective Charles Leauber
Officer David Costa
Officer Corey Lollis
Officer Matthew Orchulli
Officer Christopher Webb

All above persons had been officially sworn in at an earlier date by Mayor Panto.

All Council members offered words of welcome to the new officers to the force, offered words of encouragement to the officers, thanked their families for allowing the City to share in the officers' lives, and wished they luck in their future endeavors with the Police force.

PUBLIC COMMENT – (Agenda Items Only)

There were no questions or comments from the audience.

CONSENT AGENDA

On motion of Dr. Warner and Mrs. Vulcano the following items on the Consent Agenda were adopted by the following vote:

1. Bill 44, Ordinance 5426, Amending Section 43-2 M. Weeds, of the Code of the City of Easton Pa. which amended the height of weeds and grass from 12" to 10".
2. Bill 45, Ordinance 5427, Amending Section 444-151, Nuisance declared, of the Code of the City of Easton, Pa., which amended the height of weeds from one foot to 10".
3. Resolution 143-2013, which approved a Stipulation of Council for 640 N. 13th Street.

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4. Resolution 144-2013, which approved a Professional Services Agreement between the City of Easton, the Easton Parking Authority and Pennoni Associates for 3rd Party inspection services for the City Hall and Transportation Center project.
5. Resolutions 145-151-2013, which approved Certificates of Appropriateness for 28 N. 3rd St., 117 N. 3rd St., 219 N. 3rd St. 220 Bushkill St., Lehns Court and Bank St., 359 Northampton St., and 137 Northampton St.
6. Resolution 152-2013, which endorsed the Pennsylvania Statewide Historic Preservation Plan.
7. Resolution 153-2013, which approved appointments and reappointments to various Authorities, Boards and Commissions.

Yeas: Ruggles, Vulcano, Warner, Warren, Panto, Edinger (6)

Nays: None (0)

REPORTS RECEIVED BY COUNCIL

There were no reports received by Council.

REPORTS OF COMMITTEES

Mr. Brown, Chairman of the Finance Committee was absent.

Mrs. Vulcano, Chairman of the Economic Development Committee spoke regarding legislation that she would have for later in the meeting regarding approving a Grant Agreement between the City and the Greater Easton Development Partnership. Mrs. Vulcano said that she would like to invite Ms. Ester Guzman, from the West Ward Neighborhood Partnership, to give Council a brief power point presentation regarding Urban Farms/Community Gardens in the City's West Ward, on Wednesday, September 11, 2013.

Dr. Ruggles, Chairman of the Planning Committee, reported that the Planning Committee would meet on September 10, 2013 and Chickens in the City would be discussed.

Dr. Warner asked why this topic was going to be discussed when there was no legislation before Council to either ban or to let chickens be raised in the City.

Dr. Ruggles said that he would like to receive more public input on this matter and then the Committee would decide whether to or not to introduce legislation allowing chickens in the City.

Mr. Steckman said that the Code Department and the Health Department would also make a presentation on this issue at that meeting.

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Mr. Warren, Chairman of the Public Safety Committee, had no report.

Dr. Warner, Chairman of the Public Works Committee, spoke regarding legislation that she would have for later in the meeting regarding the turn back of State roadways to City ownership, Agreements for 4th St. Traffic Study and for 13th St. corridor improvements, and said that Public Works Director, David Hopkins, was in attendance and could answer any questions that Council may have on this matter.

Director Hopkins handed out a paper entitled PennDOT Turn-back of segments of Northampton Street, N. 3rd Street, and Centre Square and went over the handout and spoke on this matter.

Council members asked questions regarding the size of the turn-back for Northampton Street from Larry Holmes Drive to Seventh Street, and if the streets became City streets once the turn-backs were approved, which was answered by Mr. Hopkins.

Dr. Ruggles said that the State had designated weight restrictions on multiple bridges throughout the Commonwealth, and asked if any of the bridges were within the City limits.

Mr. Hopkins said not to his knowledge. Mr. Hopkins said that work on the Rt. 611 Bridge would begin in March of 2014 and should be completed in 2016.

Mayor Panto said that he would be authoring a Resolution, for the September 11, 2013 meeting to ask Northampton County to repair the Hugh Moore Park Bridge and explained why.

Mr. Hopkins spoke regarding the Resolution for the 4th Street Traffic Study and 13th Street Corridor improvements and explained how this came about.

Mayor Panto spoke regarding the proposed making of 4th Street, between Spring Garden and Ferry Street, two-way.

Dr. Warner asked if parking would then be allowed along the entire length of 4th Street on both sides.

Director Hopkins said that the goal was to maintain parking where it would be legally allowed to be.

Dr. Ruggles said that he would also like to see if the 300 block of Ferry Street could also be made two ways.

Director Hopkins said that could possibly be a problem with the exiting of buses from the new proposed Intermodal Transportation facility.

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Mr. Steckman and Director Hopkins spoke regarding the proposed purchase of a piece of Capital equipment to replace the current 1999 Roller that is down, at this time, for repairs which will cost approximately \$15,000. He said that they found a 2013, smaller, much more efficient roller, on State contract. He said that the difference to repair the existing roller and to purchase the new roller was approximately \$10,000 because of trade-in on the old roller.

Mr. Steckman said that they would like a verbal approval, from Council, for the purchase of the roller to begin the process.

Council members agreed to this so that the process could begin.

Dr. Ruggles asked if the City shared in the use of equipment from other municipalities.

Director Hopkins said that the City did service exchange with other municipalities.

Mr. Edinger, Chairman of the Administration Committee had no report.

Mr. Murphy, City Solicitor, reported that before the meeting, Council met in Executive Session and had discussed a building lease.

Mayor Panto said that Council would receive a report on the City Audit as of December 31, 2012.

Mayor Panto asked Mr. Heagele to give a quick overview of the audit, which he did.

Mr. Heagele said that a more in-depth report would be given and discussed at the next Finance Committee meeting, scheduled for September 10, 2013.

Mayor Panto said that on August 23, 2013 the Mayors of Allentown, Bethlehem and Easton had met with the entire Lehigh Valley Delegation and discussed Act 111 Pension reform.

Mayor Panto said that he and Director Longenbach had taken part in the filming of a PCN show, on Easton that will air on September 13, 2013 which will high light all of the things happening in the City.

Mayor Panto said that earlier indications indicate that Crayola did what they expected to do in attendance this season.

Mayor Panto reported that he spoke at a press conference on "Dreamers" and met a young female named Angel, who is the President of the Student Senate at Northampton County

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Community College, and who is being denied citizenship because she was brought here illegally when she was a small child. These types of persons are called “Dreamers”. He said that he was contemplating offering her an internship in his office. He also spoke about a minority female who had recently opened a small restaurant in the 400 block of Northampton Street.

Mayor Panto said that a couple of months ago he had an awards ceremony, at the Siegel’s museum recognizing downtown businesses who have been in existence for at least 20 years, and said that in October they would be sending out invitations for a ceremony to do the exact same thing for neighborhood businesses.

CORRESPONDENCE

There was no correspondence received by Council.

UNFINISHED BUSINESS

Bill 46, (Ordinance 5428), Amending Section 110-47 of the Code of the City of Easton, Pa., was adopted on motion of Mr. Edinger and Dr. Warner by the following vote:

Yeas: Warner, Warren, Panto, Edinger, Ruggles, Vulcano (6)
Nays: None

Ordinance 5428 amends Section 110-47 by adding the following to the section.

“K. The City Administrator, or their designee, shall serve as the Chief Administrative Office of the Aggregated pension Plan”.

Bill 47, (Ordinance 5429) An Ordinance of the Council of the City of Easton, Northampton County, Pennsylvania, authorizing the issuance of a General Obligation Note in the stated principal amount of \$6,000,000, was adopted on motion of Dr. Warner and Mrs. Vulcano by the following vote:

Yeas: Warren, Panto, Edinger, Ruggles, Vulcano, Warner (6)
Nays: None (0)

Ordinance 5429 authorizes the issuance of a General Obligation Note in the principal amount of \$6,000,000 for completion of the Karl Sterner Arts Trail/Bushkill Creek Trail Project, the 13th St. Silk Mill Project, the 118-120 Northampton Street Project and the City Hall/Intermodal Transportation Center Project.

NEW BUSINESS

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A memorandum, dated August 22, 2013, regarding City Council Agenda items, was received from David Hopkins, Director of Public Works.

The next item on the Agenda was a proposed Resolution which would approve an Agreement with the Pennsylvania Department of Transportation for the transfer of a portion of State Route 2022, and 2023 from State to Municipal control.

The following Resolution was introduced by Dr. Warner:

154-2013

The above Resolution was adopted on motion of Dr. Warner and Dr. Ruggles by the following vote:

Yeas: Edinger, Ruggles, Vulcano, Warner, Warren, Panto (6)

Nays: None (0)

The next item on the Agenda was a proposed Resolution which would approve an Agreement with Pennoni Associates, Inc., for engineering services for the Fourth Street Traffic Study.

The following Resolution was introduced by Dr. Warner:

155-2013

The above Resolution was adopted on motion of Dr. Warner and Mr. Warren by the following vote:

Yeas: Edinger, Ruggles, Vulcano, Warner, Warren, Panto (6)

Nays: None (0)

The next item on the Agenda was a proposed Resolution which would approve an Agreement with Pennoni Associates, Inc., for engineering services for 13th Street Corridor improvements.

The following Resolution was introduced by Dr. Warner:

156-2013

The above Resolution was adopted on motion of Dr. Warner and Mrs. Vulcano by the following vote:

Yeas: Ruggles, Vulcano, Warner, Warren, Panto, Edinger (6)

Nays: None (0)

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An August 23, 2013 e-mail, regarding a Resolution for Weller, was received from Director Gretchen Longenbach.

The next item on the Agenda was a proposed Resolution for approving a Grant Agreement between the City of Easton and the Greater Easton Development Partnership.

The Resolution was moved on motion of Mrs. Vulcano and seconded by Dr. Warner.

Mayor Panto said that he had been assured, by Mr. Murphy, that pending Bond Counsel's letter, he would approve this. He said that he would like the approval of this Resolution to be contingent on Mr. Murphy's satisfaction.

Mr. Murphy said that he did receive an e-mail and would forward a copy of it to the Mayor, and he said that he was in agreement with Bond Counsel's opinion as far as the \$1,000,000 grant was concerned.

Dr. Ruggles asked what the content of the e-mail was.

Mr. Murphy said that the question was the \$1,000,000 being a grant, and therefore a grant would be permissible as the use of proceeds from a tax exempt bond funding. He said that the provisor was that in the spirit of a grant it would not be repayable, and that the funds were specifically to be used for \$1,000,000 with no repayment of those funds to the City, and he said that he was satisfied with that.

Dr. Ruggles said that he had a problem with just giving \$1,000,000 away.

Mayor Panto said that he was in agreement for the grant because it was his understanding that it would reduce the reliability on City funding and create a more self sufficient GEDP.

Mr. Murphy said that may or may not be the result.

Mayor Panto said that the Administration supports this project 150%, and although he had not seen the financial performance completely, he spoke with Director Longenbach a number of times, and said that he was satisfied that it would reduce the liability on City funding. He said that as long the Solicitor was satisfied, since there was no repayment schedule, and that the fact is that they will become more self sufficient and wean themselves from City funding if it is a grant.

Mr. Murphy said that he could not control what GEDP does.

Dr. Warner said that it was an outright gift of \$1,000,000.

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Mayor Panto said that the City funded GEDP \$375,000 per year which could be reduced.

Dr. Ruggles said that he had not seen any financial Performa on this and only had word that this endeavor was going to be a great success with GEDP making money on it which would reduce their reliability on City funds, and said that he would not be in favor of the approval of the grant.

Director Longenbach said that the GEDP had a contract to purchase the Weller Building with a closing date sometime in October 2013, so it was imperative, through a financial agreement with the City or another financial institution, that they move quickly so that it would not jeopardize the purchase of the building. She said that Jared Mast has been working on advancing this project. She said that the GEDP has selected an architect who has met with GEDP and vendors, who have committed to space inside the building. She said that inspections have been made to the building, and meetings have been held with the General Contractor, and they have begun to apply for grant funding from the Monroe County Local Share grant funds in an amount of between \$500,000 and \$700,000 for this project. She said that the Administration, the City Solicitor and the City's Bond Counsel have met and explored multiple ways to finance this project and ways that the City could assist in the financing of this project. She said that this was the third scenario and was determined to be the best. She said that this would allow them not to incur additional costs associated with a loan because it was essential allowing them to piggy back from the existing bond issue that the City was currently doing for the City Hall project, and could eliminate the fees and costs with that issuance. She said that it would also allow them to use tax financing which would reduce costs with the financing with a difference in interest rates, and was the primary conversation between Mr. Murphy and the City's Bond Counsel. She said that the City had to meet with the Bond Counsel to determine whether or not the use of the building, under the public market structure, was or was not considered a tax exempt use. She said that the final determination, after the project was explained was that a small portion of the building would be considered tax exempt, which is where GEDP would have their offices, and the portion for the market would not be. She said that tax exempt proceeds could not be lent for private use, but could be granted for private use, which is what they were proposing. She said that the alternative would be to go to a bank and use traditional funding and incur all the debt associated with that alternative. She said that Mr. Mast had been working on a financial model for the project with multiple different revenue components. She said that there were still main pieces in the Performa that could fluctuate one way or the other and explained them. She said that if the City granted the requested funds that would make it more likely that the project would receive funds from the Monroe County Local Share Grant and explained why. She said that the Performa currently showed no Monroe County Local Share Grant funds and explained why, and explained what the Performa showed.

Dr. Warner asked if this was the only funds that GEDP would be asking for from the City.

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Director Longenbach said that the annual City contribution would remain stable at the current level, but their goal would be to reduce the amount needed yearly.

Mayor Panto said that his concerns were addressed today, said that he would be supporting this Resolution, explained why, and wanted to make sure that everyone understood that this was a grant and not a loan as it was initially presented. He said that it was a grant but it looked like a loan because it reduced the reliability on the City for GEDP budget each year.

Dr. Warner said that it would only potentially maybe, we'll see it does that, said that it did not definitively do that and was not part of what Council was being asked to vote on.

Mayor Panto said that Council had the ultimate decision on whether GEDP gets \$375,000, yearly, or whatever minus the debt payment.

Dr. Warner said that Director Longenbach just said that at least for the next two years GEDP would be requesting the \$375,000 funding from the City each year. She said that she felt that it was unfair to say that a person would vote for this Resolution because they supported the market. She said that a person could support the market and the project and still not support this type of financing.

Mayor Panto spoke regarding the assets that GEDP has in the building that houses the Crayola Experience, but derives no funding because, because of the deal made with Crayola, they are paying off the debt for the first ten years and then after that the next ten years are free and clear. He said that the City has asked the GEDP, to keep the Crayola Experience in Easton, to say they were going to take the building in Easton because we negotiated that and not GEDP and GEDP would not get any money for the first ten years.

Dr. Ruggles said that it was not that he did not support the market; he thought it was a great idea. He said that his problem was that he was being asked to vote on a Resolution that basically gives away \$1,000,000 and has not been able to review any financial statistics or financial plans for this project, and as of this time he could not support this matter.

Director Longenbach said that they could clearly show the revenue figures but for any other figures they would need to know how the debt would be structured.

Dr. Warner asked where their revenue projections were from.

Director Longenbach said that Mr. Mast has been working on them over the last two months. She said that they have met with 6 or 7 public markets, analyzed their different structures, models, leases, etc., starting meeting with their own vendors, said there were commitments from the vendors, and so they had a model that showed revenue from multiple sources, and gave examples of those sources, but they were hypothetical.

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Dr. Warner said that she wanted the market to happen, it was that she was not comfortable with handing over \$1,000,000 without knowing that the City would ever see any return on it.

Director Longenbach said that this was more than just a Public Market; this would be the home of the GEDP and all its programs. She said that the City was already, and had made the commitment, to substantially fund GEDP operations.

Dr. Warner said that just because she voted every year to give GEDP a grant, did not mean that she was obligated to give more and more funds to them. She said that when this matter was first spoken about it was not in the form of a grant, and wanted to know if this proposed Resolution could be tabled and voted upon at the September 11, 2013 Council meeting, to give the City time to provide more financial information, to Council, so that council could make an informed decision.

Dr. Longenbach said that Council could postpone their decision until September 11, 2013, and they could present a financial Performa. She said that the only time constraint that they were looking at was that the Bond closing was currently set for November and the building closing date was October.

Mr. Jared Mast said that he had been meeting with individual vendors, contractors, bankers, etc., but his assumptions were based on conversations with vendors. He said that there were no signed leases at this point because there was no building to sign leases for. He said that he had drawn up letters of intent to get signed by different vendors. Jared had handed out a Performa to Council for their review, and went over it.

Council members asked questions regarding a demonstration kitchen on the Performa, asked about the Debt Service that was indicated in the Performa, about other fund commitments that were answered by Mayor Panto, Mr. Mast and Director Longenbach.

Mr. Steckman suggested that this matter be further discussed at the September 10, 2013 Council Committee meetings, and explained why he made that suggestion.

The Mayor said that the City was waiting on three Performas and felt that all three would be needed before the next meeting. He said that one was the lease back of the City Hall, the Public Markets financial Performas, and the one dealing with the City Hall bond issue. He said that he would be working with Director Longenbach and Mr. Mast to see that the financial Performa was done so that Council can make their decision.

On motion of Mrs. Vulcano and Dr. Ruggles, the proposed Resolution which would approve a Grant Agreement with the Greater Easton Development Partnership was tabled by the following vote:

Yeas: Vulcano, Warner, Warren, Panto, Edinger, Ruggles (6)

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Nays: None (0)

Bill No. 48, Amending Ordinance 5376, An Ordinance electing to amend its Municipal Pension Plan administered by the Pennsylvania Municipal Retirement System, was introduced by Mr. Edinger and ordered processed for adoption.

This Bill would amend Ordinance 5376 by adding the following:

(a) The City Administrator, or their designee, shall serve as the Chief Administrative officer of the Pennsylvania Municipal Retirement System pension Plan.

CITIZENS RIGHT TO BE HEARD

There were no comments or questions from the audience.

ADJOURNMENT

With no further business, the meeting was adjourned at 7:35 p. m. on the motion of Mrs. Vulcano and Dr. Ruggles by the following vote:

Yeas: Panto, Warren, Warner, Vulcano, Ruggles, Edinger, (6)

Nays: None (0)



Rita Messa, Assistant City Clerk