

Myerstown, PA
Tuesday, March 8, 2016

President Bryan L. Rittle called the regular monthly meeting of the Myerstown Borough Council to order at 6:32 p.m., on Tuesday, March 8, 2016. The meeting was held in Borough Council Chambers in the Myerstown Municipal Center, 101 East Washington Avenue, Myerstown, PA 17067.

Following the Pledge of Allegiance, a roll call was taken. Present were: President Bryan L. Rittle, Vice President Michael D. Behm, President Pro Tem Park W. Haverstick, II, Vince Podolski, Eric L. Powell, Jeffrey L. Thomas, Mayor Gloria R. Ebling, Treasurer Lee C. Smith, Assistant Manager Barry A. Ludwig, Deputy Secretary Lisa A. Brubaker and Manager Christopher J. Moonis. Absent were Councilmember Dana Reich and Solicitor Thomas Harlan.

The Meeting Minutes for February 9, 2016, and February 29, 2016 were presented. A motion was made by Park W. Haverstick, II, seconded by Jeffrey L. Thomas, to dispense with the reading of and approve the minutes of the Regular Monthly Meeting, February 9, 2016 and the Special Meeting, February 29, 2016. All those in favor: Motion unanimously carried. All those in favor: Motion unanimously carried.

The President opened the floor for Citizens and Visitors Comments: There were no public comments.

The Council received reports from the Mayor, Department Supervisors, Solicitor and the Borough Manager. Staff was present to provide additional information on their report, and answer any questions from the Council.

Mayor Gloria R. Ebling presented her report. We have not received the Governor's appointment for Scott Yeagley as the Emergency Management Coordinator yet. There was no State Police report.

Assistant Manager Barry A. Ludwig presented the Utilities report, which includes the Wastewater and Public Works Department. The Assistant Manager and Manager attended a seminar on Cold Patch. Councilmember Eric L. Powell asked who is the contractor that will be doing the manhole repairs on Route 501? The Assistant Manager stated SLH Contractor will be doing the work. The Assistant Manager informed Council his report will now include engineering as well. The former ARRO representative has moved on and to save costs, he will include engineering updates in his report. The President asked to clarify under Public Works, number 7, he has "25 MHP", did he mean "25 MPH"? The Assistant Manager stated yes that is what it should say. Councilmember Jeffrey L. Thomas gave information on a stop sign that is missing. The Assistant Manager will have the Public Works Department go and check.

Solicitor Thomas Harlan entered the meeting at 6:38 p.m.

The Solicitor presented the report. He gave an update on the 301 S. Railroad Street property. A hearing has been scheduled for March 29, 2016 with Judge Jones to try to obtain a free and clear title for the property. If that happens, then the property will go back on the Sheriff Sale list for the 2nd Tuesday in April.

The Solicitor provided an update from the School Board Meeting that was held on Monday, March 7, 2016. He handed out a revised agreement. He asked the Council to turn to page 4, item B, to review the highlighted area. In the Solicitors view the change is more stylish than anything else, because we already had it in our agreement that if the Phase I Study indicated that there should be a Phase II Study and the costs of that was going to be prohibited, the Borough has the right to withdraw from the deal. The School District seems to have added a layer onto the agreement. Were as, if the Phase I indicates a Phase II be necessary and we get what has to be done to the building and how much it will cost, the School District is asking the Borough must meet with them to discuss the findings. They want to see if we can reach an agreement as to who pays what and how much. They want to negotiate with us, if negotiations fail, then either party has the right to withdraw from the deal.

The Manager stated the language was made clearer. The Solicitors concern was they added the couple of sentences that say we have to meet with them and decide what to do, to negotiate. Another concern is, the Borough will be doing other items of due diligence like engineering/architectural. The Borough would be running up costs, than the report comes out and we cannot come to an agreement, we can get out,

but we have already spent the money. The Solicitor stated he spoke to the Manager regarding this issue. The Manager feels once this is agreed upon the Phase I would be completed very quickly. So the Borough would have that study to know right away during the due diligence period. We would know if a Phase II would be necessary and give the Borough an out before we do the engineering/architectural work. The President stated it is a revision and the School Board did not agree to the change at the meeting. The Manager stated the School Board will meet again on Monday, March 14, 2016. The President stated the Council could pass the agreement with these changes contingent upon the School Boards approval on Monday. If not, then we go back to the table to negotiate. The President stated the Council will address this matter in the new business section of the agenda.

Manager Christopher J. Moonis presented the report. He had no additional comments on his report. The President asked how far into the audit are we? The Manager stated a couple of weeks, the preliminary review of the Wastewater Funds has been completed and the General Funds are being done now. The President asked if we approached the School District regarding the creation of a LERTA District? The Manager stated no we have not yet. The President asked if we have received the required items from the Youth Baseball Association. Councilmember Jeffrey L. Thomas stated they do not have coaches. The President stated he is questioning for Youth Baseball the other is for Legion. The Manager stated no we have not received anything from them. They have been sent a second notice in which it states they may not start using the ballfield until we receive the necessary paperwork.

Councilmember Jeffrey L. Thomas stated there are children running on top of the baseball dugouts. The Assistant Manager will look at options to minimize access.

The President proceeded to the Committee Reports:

The Public Works Committee – (Vince Podolski, Dana Reich and Michael D. Behm) Chairman Vince Podolski stated he is in the process of getting everything together from their meeting.

The Utilities Committee – (Eric L. Powell, Park W. Haverstick, II and Jeffrey L. Thomas) Chairman Eric L. Powell stated the committee has met and discussed the trash collection in the Borough. They continue working on the issue. They have asked the Assistant Manager to gather some information for them before proceeding. They want to see which alleys need to be addressed first, in case there needs to be some change like weight limit or front pickup. The Committee does not believe one size fits all, in other words, they may not suggest all trash is picked up on the front streets, but may do it on a case by case basis where the alleys are in the worst condition. They may need to establish a weight limit so the larger trash trucks could not go down the alley to pick up dumpsters, but a smaller truck could still have access to them. They will provide a report to Council once all the information has been gathered and reviewed.

Sergeant Tice from the State Police entered the meeting at 6:55 p.m.

Park & Recreation Committee – (Jeffrey L. Thomas, Dana Reich, Park W. Haverstick, II,) Chairman Jeffrey L. Thomas stated he has noticed in the Recreation Park the tennis court is being used for dog runs and there are dogs in the park, when there are signs stating “No dogs in the park”.

Sergeant Tice presented the State Police report. He included in the report a four (4) year comparison for the month of February. Not experiencing any trends in the area. Drugs are no longer a trend but is now an epidemic. There is a new push to charge the dealer with a death as a result of a drug deal. Councilmember Michael D. Behm asked if drug driving is happening. Sergeant Tice stated yes it is happening. It is still considered driving under the influence.

Councilmember Park W. Haverstick, II, stated he had a car broken into but wanted to state the Trooper was very professional. The President stated he knows there are two (2) police cars assigned to the area and asked Sergeant Tice if there is any way to get more cars assigned to the area? Sergeant Tice stated if there are more cars available, they are assigned to this zone, this is the focus area.

Scott Yeagley asked if the Sergeant has heard of a new drug that is more deadly than bath salts? Sergeant Tice stated Heroin and Fentanyl are the most deadly. Councilmember Michael D. Behm asked

what is the age bracket for drug users? Sergeant Tice stated that depends on the drug. Older age group is prescription drugs and heroine. Younger group marijuana, but seeing the graduation to more deadly drugs.

Councilmember Park W. Haverstick, II, stated they have had a good presence with speed traps. Some areas of concern for speeding are Cherry, Broad and Railroad Streets. Sergeant Tice stated he will inform the Troopers. The President thanked Sergeant Tice for coming tonight.

Treasurer Lee C. Smith prepared and presented Borough Council with the monthly Treasurer's Report. A motion was made by Michael D. Behm, seconded by Park W. Haverstick, II, to approve the Treasurer's Report and have it on file for audit. All those in favor: Motion unanimously carried.

MYERSTOWN BOROUGH TREASURER'S REPORT

Prepared 03/07/2016

Activity for: 2 months 2016

<u>GERNERAL FUNDS:</u>	<u>Activity</u> <u>FINANCIAL INSTITUTION:</u>	<u>Date:</u> <u>02/29/2016</u> <u>BALANCES:</u>
OPERATING FUND:	FULTON:	Cash: <u>\$ 20,534.60</u>
	<u>\$ 127,179.61</u>	P-Card: <u>\$ 8,389.65</u>
	INCOME	Ed Jones: <u>\$ 256,185.45 BV</u>
	<u>\$ 175,740.35</u>	<u>\$ 255,299.05 MV</u>
	EXPENSES	A/P: <u>\$ 9,498.21</u>
	Transfer out: _____	Payroll: <u>\$ 19,384.15</u>
	Transfer in: _____	
RESERVE ACCOUNT:	FULTON:	<u>BALANCES:</u>
	<u>\$ 512.92</u>	Cash: <u>\$ 4,460.38</u>
	INCOME	Ed Jones: <u>\$ 421,736.96 BV</u>
	<u>\$ 245.00</u>	<u>\$ 421,693.42 MV</u>
	EXPENSES	A/P: <u>\$ -</u>
	Transfer out: _____	
	Transfer in: _____	
<u>WASTEWATER FUNDS:</u>		
OPERATING FUND:	FULTON:	<u>BALANCES:</u>
	<u>\$ 167,126.27</u>	Cash: <u>\$ 102,584.88</u>
	INCOME	P-Card: <u>\$ 6,000.00</u>
	<u>\$ 102,136.60</u>	Ed Jones: <u>\$ 438,831.26 BV</u>
	EXPENSES	<u>\$ 436,199.22 MV</u>
	Transfer out: _____	A/P: <u>\$ 9,025.40</u>
	Transfer in: _____	Payroll: <u>\$ 14,519.08</u>
		A/R: <u>\$ 52,754.60</u>

Treasurer's Monthly Report – (continued)

Activity for: 2 months 2016

<u>WASTEWATER FUNDS:</u>	<u>Activity</u> <u>FINANCIAL INSTITUTION:</u>	<u>Date:</u> <u>02/29/2016</u> <u>BALANCES:</u>
RESERVE ACCOUNT:	FULTON:	
	\$ <u>2,611.75</u> INCOME	\$ <u>-</u> EXPENSES
	Transfer out: _____	Cash: <u>\$ 123,673.45</u>
	Transfer in: _____	Ed Jones: <u>\$ 2,104,370.36 BV</u> <u>\$ 2,093,413.75 MV</u>
DEBT SERVICE RESERVE:	FULTON:	<u>BALANCES:</u>
	\$ <u>117,870.38</u> INCOME	\$ <u>99,303.75</u> EXPENSES
	Transfer out: _____	Cash: <u>\$ 235,866.82</u>
	Transfer in: _____	Ed Jones: <u>\$ 1,353,920.42 BV</u> <u>\$ 1,340,501.39 MV</u>
		A/R: <u>\$ 72,890.00</u>
REVENUE BOND, SERIES OF 2007:	PLGIT:	<u>BALANCES:</u>
	\$ <u>334.22</u> INCOME	\$ <u>-</u> EXPENSES
	Transfer out: _____	Cash: <u>\$ 634,605.98</u>
	Transfer in: _____	Ed Jones: <u>-</u>
 <u>OTHER FUNDS:</u>	 <u>FINANCIAL INSTITUTION:</u>	 <u>BALANCES:</u>
UNEMPLOYMENT COMPENSATION:	PLGIT:	
	\$ <u>4.07</u> INCOME	\$ <u>-</u> EXPENSES
	Transfer out: _____	Cash: <u>\$ 92,005.44</u>
	Transfer in: _____	
LIQUID FUELS:	PLGIT:	<u>BALANCES:</u>
	\$ <u>23.97</u> INCOME	\$ <u>6,518.56</u> EXPENSES
	Transfer out: _____	Cash: <u>\$ 56,622.31</u>
	Transfer in: _____	

Treasurer's Monthly Report – (continued)

Activity for: 2 months 2016

<u>WASTEWATER FUNDS:</u>	<u>Activity</u>	<u>Date:</u> <u>02/29/2016</u>
<u>BEAUTIFICATION TRUST:</u>	<u>FINANCIAL INSTITUTION:</u>	<u>BALANCES:</u>
	PLGIT:	
	\$ <u>16.51</u>	\$ <u>-</u>
	INCOME	EXPENSES
	Transfer out: _____	Cash: \$ <u>43,424.09</u>
	Transfer in: _____	
<u>RECREATION:</u>	<u>FULTON:</u>	<u>BALANCES:</u>
	\$ <u>92.06</u>	\$ <u>7,537.10</u>
	INCOME	EXPENSES
	Transfer out: _____	Cash: \$ <u>1,065.34</u>
	Transfer in: _____	Ed Jones: \$ <u>20,104.85</u> BV
		\$ <u>20,009.26</u> MV
		A/P: \$ <u>117.60</u>
<u>WM DERR SWIMMING POOL:</u>	<u>FULTON:</u>	<u>BALANCES:</u>
	\$ <u>609.05</u>	\$ <u>278.83</u>
	INCOME	EXPENSES
	Transfer out: _____	Cash: \$ <u>893.00</u>
	Transfer in: _____	Ed Jones: \$ <u>36,543.98</u> BV
		\$ <u>36,014.49</u> MV
		A/P: \$ <u>-</u>

MEMO:

- A/R – Accounts Receivable
- A/P – Accounts Payable
- BV - Book Value
- MV - Market Value

The monthly listing of invoices was presented. A motion was made by Eric L. Powell, seconded by Vince Podolski, to approve payment of all invoices as listed. All those in favor: Motion unanimously carried.

The President read the list of current Committee and Board vacancies.

- Recreation Board – two (2) vacancies
- International Property Maintenance Code Board of Appeals – one (1) vacancy

If anyone is interested in volunteering to serve on any of these boards contact the Borough office.

There are tabled items, the general parking in the Borough East Main Avenue lot and trash services. The parking issue was sent to the Public Works Committee and the trash service was sent to the Utilities Committee. Both Committees are working on the issues. So they will remain tabled.

The President proceeded to the agendas order of the business:

Steven Goodhue from Edward Jones was present to review the investment portfolio for the police pension plan. The Police Pension Plan is underfunded. This was found when trying to price out annuities for

the retired police officers. In addition, the market has undergone a change in character. The portfolio was performing well and had been funding the entire police officers pensions but now the market character has changed he would like to de-risk the portfolio. This is a defined benefit pension plan and it was expected we would be drawing money out of this plan on a monthly basis to pay the pensions.

If the portfolio was to have a large dip in one month and we still pay out that same fixed amount of money the plan would have to sell more shares to meet that obligation. So we need to make the pension plan more conservative. The total pension equals \$87,069.24 per year. The total pension holdings are \$1,027,967.63. If you take the pension amount and divide that by the holdings that is 8.7% going out each year. A portfolio that is designed to pay out money every month, a fixed amount of money, has to be made more conservative because of the fact it would be selling more shares when the market goes down and the market has been down. That is why he is proposing to de-risk the plan.

Steve Goodhue provided handouts for review and asked Council to turn to page 5. If no withdraws were taken the portfolio would grow to 2,338,607.00 at the end of fifteen (15) years. If withdraws of 5% were taken the portfolio would be at \$1,140,480.00 at the end of fifteen (15) years. The annual withdraw would be \$42,000.00 to \$62,000.00 with the Borough making up the difference to equal the \$87,069.24 yearly payout. If withdraws of 8% were taken the portfolio would be at \$727,758.00 at the end of fifteen (15) years. The withdraws would be higher, except for one (1) year, but that would take care more of the eighty seven (87) thousand per year that is required.

The Manager stated the last one reviewed is much closer to what the pension would require. If the Borough were to help the pension plan and budget a contribution to the plan through the MMO each year that would make these numbers that much better.

Steven Goodhue stated three (3) factors; as the retirees get older, the amount to buy an annuity goes down, and/or as interest rises, the amount to buy an annuity goes down. If a retiree passes away, then the Borough would only have two (2) left to buy annuities for. The strategy is to try to make the best out of the pension fund until we get to the point that we can purchase annuities at a reasonable rate.

The President questioned if a retiree passes away, does their spouse get any of the money. Steven Goodhue stated no, the plan is life only. [The plan does provide for 50% Survival Spousal Benefit]

Councilmember Michael D. Behm asked who he is recommending. First, Steven Goodhue is recommending we de-risk the portfolio and go to a more conservative portfolio, then the Borough should chose a withdraw rate and elect to make up the difference, to try to nurse the money long enough so that at some point we can purchase the annuity. American Funds is the company he is recommending. This portfolio is designed to provide income. It is very important when you have a portfolio that provides income that is not to volatile. There are no front end sales charges. If we make a million dollar buy in to any mutual fund family there is no front end sales charge and currently there is \$1,027,968.00 in the plan. So that is why he would like to move quickly before it drops again. A motion was made by Michael D. Behm, seconded by Vince Podolski, to move the funds into a more conservative portfolio with American Funds for the police pension plan. All those in favor: Motion unanimously carried.

With the adoption of a new personnel manual, an Amendment to the Non-Uniform Pension Plan Ordinance is needed. There were changes to the vesting period and percentages employees will receive. A motion was made by Michael D. Behm, seconded by Vince Podolski, to authorize the Solicitor to draft and advertise an Ordinance (834) amending the changes for the Non-uniform Pension Plan. All those in favor: Motion unanimously carried.

The Assistant Manager is requesting the Council approve the ENERNOC Energy Agreement for the Wastewater Treatment Facility. A motion was made by Vince Podolski, seconded by Michael D. Behm, to approve the ENERNOC Energy Agreement for the Wastewater Treatment Facility. All those in favor: Motion unanimously carried.

The President brought forth the revised Agreement of Sale for the Myerstown Elementary Building. As per discussion that was held earlier in the meeting. A motion was made by Michael D. Behm, seconded by Park W. Haverstick, II, to approve the amended Agreement of Sales from the ELCO School District for the Myerstown Elementary Building. All those in favor: Motion unanimously carried.

Myerstown, PA
Tuesday, March 8, 2016

The Mayor would like approval to purchase flower pots for the downtown area. About twenty-five (25) pots would be needed. An example of the pot was shown. The Solicitor stated he knows the owner of Grossflex in Robesonia to see if we can get a deal through them. A motion was made by Eric L. Powell, seconded by Park W. Haverstick, II, to approve the tentative purchase price for flower pots for beautification of the downtown. All those in favor: Motion unanimously carried.

The rates for the 2016 pool season needs to be approved. The Manager is proposing a few rate changes for 2016 with the addition of a non-resident general admission price and a daily organizational group rate. A motion was made by Park W. Haverstick, II, seconded by Jeffrey L. Thomas, to approve the presented pool rates for the 2016 season. All those in favor: Motion unanimously carried.

We received a contract for uniform rentals for the Public Works Department. The contract is with UniFirst for five (5) years at a rate of \$35.15 per month, \$421.80 per year. A motion was made by Michael D. Behm, seconded by Vince Podolski, to enter into the UniFirst Uniform Contract for five years. All those in favor: Motion unanimously carried.

We received information on a Certified Pool/Spa Operator's Course. The New Pool Manager would like to attend along with Zina Rittle. It is a two (2) day course. After discussion, the Council does not feel it is necessary for 2016.

The communications were reviewed.

We received a letter from Comcast regarding their Professional Installation Pricing; A letter from Senator Mike Folmer regarding the improvements to Routes 501 and 422 in the Borough; We received the Notice of Payment for the Liquid Fuels Funds.

The President asked if there were any additional comments for the good of the borough. Seeing none, a motion was made by Park W. Haverstick, II, seconded by Vince Podolski, to adjourn the meeting at 8:02 p.m. All those in favor: Motion unanimously carried.

Lisa A. Brubaker
Deputy Secretary

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