

Regular Borough Council Meeting

October 4, 2010

The Regular Meeting of Souderton Borough Council, held on Monday, October 4, 2010, was called to order by President Brian Goshow at 7:30 p.m. Members of Borough Council present at the regular meeting included the following:

President Brian K. Goshow	Solicitor Charlotte Hunsberger
Vice President Andrew Schlosser	Borough Manager P. Michael Coll
Councillor Ned D. Leight	Police Chief James P. Leary
Councillor D. Jeffrey Gross	Public Works Director Steven R. Coll
Councillor Steven J. Toy	
Councillor Preston Miller	
Councillor Richard Halbom	

Absent from the meeting was Mayor John Reynolds, Councillor Edward Huber and Councillor John Young. The Invocation was given by President Brian Goshow, followed by the Pledge of Allegiance to the Flag.

Consideration was given to the minutes of the September 7, 2010 Regular Borough Council Meeting and September Borough Council Work Sessions. A motion was made by Councillor Andrew Schlosser, seconded by Councillor Richard Halbom, to approve the minutes of the September 7, 2010 Regular Borough Council Meeting and September Borough Council Work Sessions as presented. The motion was approved.

Police Chief James Leary presented his monthly report along with a supplemental narrative report. A follow up meeting will be scheduled this month concerning the Univest Grand Prix.

The Borough Solicitor's report for the month of September, 2010 was distributed to Borough Council. The Borough Solicitor reported that they prepared some additional documentation at the request of Univest National Bank to complete the construction loan for the pool renovation project. The Solicitor prepared an affidavit regarding a personal injury claim filed against Souderton Borough that occurred at the waste water treatment plant located on Allentown Road in Franconia Township. The affidavit confirms that this facility is not owned or operated by the Borough. The Borough Solicitor also noted that the loan documents are essentially completed for the Broad Theater project and are awaiting word when the primary funding is ready to close.

Public Works Director Steven Coll presented his monthly report to Borough Council. Councillor Halbom questioned the status of paving on N Fifth Street. Steve Coll noted that he has been in conversation with P. K. Moyer and Sons and expects that the paving will be completed later this month, but the final schedule has not yet been confirmed.

Borough Manager Michael Coll noted no business items are scheduled for consideration this evening. The Borough Manager noted that the regular meeting of Borough Council for November will have to be scheduled for the second Monday, November 8, 2010. The schedule change is necessary to allow time to set up the Council Chambers to accommodate the polling place for the third ward on Election Day. Borough Manager Michael Coll noted that Borough Council has received the calculations concerning the Minimum Municipal Obligation (MMO) required to be deposited in the Police Pension and Non-Uniformed Pension Plans in 2011. The calculations show that the Police Pension Plan has a minimum obligation of zero dollars and the Non-Uniformed Pension Plan has an obligation of \$88,235. The MMO must be included in the 2011 Budget and paid no later than December 31, 2011. The Borough Manger also noted that part of the required MMO may be paid with State Pension Assistance. Souderton Borough just received an allocation for the 2010 Budget year of \$69,287.24 which will be allocated within the next thirty days to the respective pension plans according to the approved 2010 MMO work sheets.

Borough Manager Michael Coll noted that the October work sessions will be devoted to the preparation of the 2011 Budget, but he did send out a fairly large package of information regarding color selections for the pool renovation project. The Borough must specify color

selections for plaster, tiles, coping and water features. These decisions must be reached fairly quickly to keep the project on schedule. Councillor Jeffrey Gross noted that he will be meeting with members of the Main Streets Design Committee for their suggestions and hopes to report back at the October work sessions.

Councillor Jeffrey Gross expressed concern with the condition of the Scout Cabin, particularly the storage of wood and propane tanks in the rear basement stairwell. He had asked that we review this matter and urge that these items be removed.

Consideration was given to paying the bills for the month of September, 2010.

GENERAL FUND

Postmaster Lansdale	\$859.46	Montgomery Newspaper	\$129.68
AT&T	33.47	Moyer & Son, Inc	2,045.78
Bergey's, Inc.	293.94	Nationwide Trust Company	1,159.52
Bricker, Landis & Hunsberger	3,692.27	Nationwide Trust Company	962.65
Charles A. Quinn, Sr.	386.60	Nationwide Trust Company	399.40
Ches-Mont Disposal, Inc.	343.20	Nationwide Trust Company	362.84
Clemens Uniform Rental	200.80	NetCarrier Telecom., Inc	334.98
Comcast Cable	105.17	Nextel Communications	99.39
Cope's Garage, Inc.	2,592.02	North American Benefits	1,010.73
David A. Freed	245.00	North Penn Water Authority	641.90
Dr. Larry J. Geller	266.00	NYCO Corporation	103.05
Farm & Home Oil Company	2,611.53	PABCO	59.00
Federal Express Corp	105.50	Patriot Diamond, Inc.	796.70
Freedom Systems Corp	38.79	PECO Energy	25.43
Fromm Electric Supply Corp	49.65	PA One Call	17.10
GALCO Business Communications	121.00	Plasterer Equipment Co., Inc	170.00
George Allen Portable Toilets	231.00	PPL Electric Utilities	8,502.41
Georges Tool Rental	75.00	Propet Distributors	172.90
Glasgow, Inc.	70.00	Richter Drafting & Office Supply	657.80
H & K Materials	599.12	Ricoh	257.29
HISI	4,848.00	Sealmaster	71.98
Independence Blue Cross	17,076.69	Shelly Enterprises, Inc	150.88
Indian Creek Foundation	376.00	Starr Uniform Center	119.85
K & A Services, Inc.	750.00	The Home Depot	246.84
Keystone Health Plan East	6,737.27	Trumbauers Lawn & Rec, Inc	478.65
Kopp Equipment Sales	1,409.00	Univest USA	83.14
Kurt Scherzberg	680.00	Unum Insurance Company	811.19
Landis Block & Concrete	75.75	Ven-Mar Sales, Inc	938.30
Lansdale Police Department	300.00	Verizon	50.02
Lapps Landscape Products	160.00	Verizon Wireless	43.01
Lawson Products, Inc.	446.95	Weaver and Reckner Dental Assoc	1,049.75
Letterco	820.00	Weldon Auto Parts	100.96
Markey Paper & Packaging	410.10	Wellington Sporting Goods	229.00
Metlife	2,668.47	Word Work, Inc	4,760.25
Metlife	2,667.54		
Metlife	286.84		
Metlife	286.84	Total General Fund	\$79,961.34

SEWER FUND

Hangley Aronchick Segal Pudlin	\$207.00	Metlife	\$82.21
Commonwealth of PA	3,500.00	Moyer & Son, Inc	193.30
Sewer Capital Fund Transfer	35,000.00	NetCarrier Telecom, inc	142.32
Altek Business Systems, Inc	62.25	North American Benefits	317.57
Ches-Mont Disposal, Inc	94.38	North Penn Water Authority	176.40
Cintas First Aid & Safety	30.40	Patriot Diamond, Inc	360.30
Clemens Uniform Rental	120.36	R & B Truck and Equipment Repair	261.26

Comcast Cable	52.90	Shelly Enterprises	5.55
Daniel Beardsley, Ltd	285.60	Siemens Water Technologies	4,193.10
Filter Belts	300.00	Suburban Water Testing Labs	222.00
GALCO Business Communications	352.85	Suncoast Research Labs, Inc	1,635.00
Hajoca Corporation	535.66	Univar USA, Inc	3,719.46
Hart Mechanical Contractors	4,390.00	Unum Insurance Company	256.94
HISI	1,191.00	Verizon	58.10
Independence Blue Cross	4,249.32	Wise Electric	7,495.00
Independence Blue Cross	207.65	PPL Electric Utilities	18,664.75
Independence Blue Cross	118.80		
J. P. Mascaro & Sons	5,008.55		
Keystone Health Plan east	2,478.45		
Metlife	82.21	Total Sewer Fund	\$96,050.64

CAPITAL RESERVE FUND

Structural Stone, LLC	\$3,250.00	Univest National Bank	\$6,090.28
Williams Stone Company	20,742.32	Univest National Bank	5,611.21
M & M Stone Company	180.00	Univest National Bank	1,630.41
Spring City Electrical	2,455.76		
The Home Depot	31.00	Total Capital Reserve Fund	\$39,990.98

SEWER CAPITAL FUND

H & K Materials	\$25,186.89	P. K. Moyer & Sons, Inc	\$11,859.50
Naceville Materials	233.97		
		Total Sewer Capital Fund	\$37,280.36

LIQUID FUELS FUND

Armour & Sons Electric	\$780.00	PPL Electric Utilities	\$549.87
PPL Electric Utilities	189.26	Shelly Enterprises, Inc	41.14
Sealmaster	2,256.53		
The Sherwin Williams Co	74.87	Total Liquid Fuels Fund	\$3,891.67

A motion was made by Councillor Andrew Schlosser, seconded by Councillor Ned Leight, to authorize payment of the bills for the month of September, 2010, as presented. The motion was approved.

President Brain Goshow opened the floor to the audience who may wish to address Borough Council on any topic or matter of concern. There was no public comment.

Steven Coll, speaking as the Borough Fire Marshall reminded members of Borough Council that the Perseverance Volunteer Fire Company will be holding their annual open house, in recognition of Fire Prevention Week, on Thursday, October 7, between the hours of 7 to 9 pm. Seven local fire companies have been invited to attend and participate. The open house will have activities for the children, demonstrations and fire fighting and rescue equipment on display.

There being no further business, the meeting was adjourned at 7:47 pm.

Respectfully Submitted,

P. Michael Coll, Secretary

WORK SESSION MINUTES AND COMMITTEE REPORTS

Public Works Work Session – October 11, 2010 (7:00 pm- 9:15 pm)

Council Attendees: Mayor John Reynolds, Jeffrey Gross, John Young, Steven Toy, Preston Miller, Richard Halbom and Edward Huber. Junior Councillor Brian Barr.

Staff Attendees: Public Works Director Steven Coll, Borough Manager Michael Coll.

Mayor John R. Reynolds administered the Oath of Office to newly appointed Junior Councillor Brian Barr prior to the start of the work session.

1. Sanitation Committee

- a) The September, 2010 Discharge Monitoring Report will be filed with no exceptions to permit discharge limits. Total precipitation for the month of 9.04 “ of rain, seven of which fell over a 24 hour period. The plant handled the flow without overflow.
- b) Chief Operator Sal DeSimone reported that 282,500 gallons of septic waste was received from the Souderton High School, hauled by Clemens Septic. In addition to the High School, the plant received an additional 31,500 gallons of septic waste from Clemens and Maitz.
- c) Two explosion proof heaters will be replaced in the chemical building. Sal DeSimone is evaluating the cost of having the rollers on the belt filter press professionally aligned. Improper alignment is suspected in causing premature failure of the replacement belts. Chief Operator Sal DeSimone completed an update of the Emergency Response Plan with the Montgomery County Office of Emergency Preparedness and the State Emergency Management Agency.

2. Highway Committee

- a) Public Works Director Steve Coll reported that crews completed 50 brush collections during the month. Routine mowing was completed as necessary. Crews cleaned up after the Uninvest Grand Prix and street painting is complete for the season.
- b) P. K. Moyer and Sons is scheduled to pave South Second Street and N Fifth Street the last week in October into the first week in November.

3. Sidewalk Committee

- a) Crews completed all street light foundations along the east side of Main Street and installed nearly 70% of the electrical conduit along the east side of Main Street. A storm drain line from Chestnut Street to the Mill Apartment parking lot was relocated into Main Street to make room for the electrical conduit under the sidewalk. Crews saw cut Main Street in preparation for the installation of the new granite curb.

4. Recreation Committee

- a) Vincent Pools cut and removed the top portion of the competitive pool and sandblasted the remaining sections of the pool shell. The upper pool was entirely demolished and excavation was completed for the new pool. Crews are working on stoning the floor areas and framing up the walls for the new leisure pool. Wayne Wade expressed dissatisfaction with the progress and manpower that Vincent Pools allocated to this project through September. Subsequent to the recent job meeting, Vincent Pools has steadily added manpower and crews to the site. The first progress payment was received and executed in the amount of \$69,189.00. Currently, Vincent Pools is installing the steel rebar throughout the new leisure pool and expects to gunite the shell during the week of November 8th. Wade Associates has supplied a number of requests for color choices, including pool plaster, tiles, coping and water feature colors. Councillor Jeffrey Gross met with representatives of the Main Street design committee and Souderton Swim Team

to discuss and receive input on color selections. Council members gave Jeff Gross discretion to make the selections.

Penn Builders is now fully mobilized on site and are installing the foundations for both buildings. Color selections for the split block, roof and siding will be critical to keep the building construction on schedule. Councillor Jeffrey Gross will also work with Penn Builders and the architect to select the building colors.

5. Property Committee

- a) No new items were discussed.

Main Street Manager Pam Coleman attended the work session to review the status of Main Streets activities and the level of funding necessary for next calendar year. Pam Coleman also noted that last week, the Pennsylvania Historic District Board formally approved the historic district for Souderton Borough. The plan now moves to the National Park Service for final approval.

Borough Manager Michael Coll reviewed the 2010 Budget Comparison report through the end of the third quarter in preparation for discussions at next week's work session on the draft 2011 Budget.

Administrative Work Session – October 18, 2010 (7:00 pm-10:20 pm)

Council Attendees: Mayor John Reynolds, Brian Goshow, Jeffrey Gross, John Young, Andrew Schlosser, Steven Toy, Preston Miller, Richard Halbom and Edward Huber. Junior Councillor Brian Barr.

Staff Attendees: Chief James P. Leary, Borough Manager Michael Coll.

1. Police Committee

- a) Trish Stokes of Tilley's tea Room, 20 W. Chestnut Street and Debbie Rasbold of Great Looks Salon, 16 W. Chestnut Street addressed members of Borough Council on the need for additional restricted parking spaces in the Chestnut Street parking lot. They noted that the prior issues with Uninvest employees appear to have been resolved, but the available parking spaces to support their businesses are located at the very bottom of the parking lot creating a major inconvenience for their clients. To remedy this concern, they requested that a total of six parking spaces within the top middle row of the parking lot be restricted to two hour parking. Members of Borough Council expressed support towards this request.
- b) Police Chief James Leary reported to Borough Council on the status of various police activities and training opportunities.

2. Administrative Committee

- a) Some work was completed and a brief inventory was taken on the paper files stored in the basement of the building. The inventory revealed that all files contained in the basement are of no administrative value and many have been ruined by water damage. Previously the matter of shredding was discussed but further review of the files indicate that there is no information of any personal or secure nature that warrants the added expense of shredding. The winter months will be an ideal time to address this necessary clean up. To begin the process a Resolution will be prepared for consideration at the November Borough Council formally recognizing and confirming that the Borough of

Souderton will maintain and discard material and files in accord with the Pennsylvania Municipal Records Manual. This is the initial resolution that should be approved prior to any destruction of municipal files or records. A subsequent resolution will be prepared describing the files that were in fact selected to be discarded.

3. Development Committee

- a) Borough Manager Michael Coll referenced a letter that was sent to Superintendent Frederick Johnson concerning the matter of poor grounds maintenance and security with the former high school property. The letter urged immediate attention to mowing the grounds and improved building security to stop trespassing.

Borough Council members expressed an interest in challenging the continued tax exempt status of the high school property. Councillors noted that the deteriorating condition of the property is generating unnecessary police expenses, creates a major nuisance to the surrounding residents and poses a real fire risk that must be absorbed by Souderton Borough. Taxing the property will at least spread the financial burden throughout the entire school district. The Borough Manager was instructed to review this process with the Borough Solicitor.

4. Finance Committee

- a) The Borough Manager presented a draft of the 2011 Budget for review and discussion. Considerable discussion was held concerning the proposed 2% wage increase for non-uniformed employees, reduction in the annual contribution to Souderton-Telford Main Streets from \$45,000 to \$40,000 and additional reductions in contributions to the fire company and other agencies. Borough Council agreed to schedule another work session on Monday, November 1st to provide further discussion on the 2011 Budget, prior to the scheduled presentation at the November 8th Borough Council meeting.

Budget Work Session – November 1, 2010 (7:00 pm-10:00 pm)

Council Attendees: Mayor John Reynolds, Brian Goshow, Ned Leight, Jeffrey Gross, John Young, Steven Toy, Preston Miller, Richard Halbom and Edward Huber. Junior Councillor Brian Barr.

Staff Attendees: Chief James P. Leary, Borough Manager Michael Coll.

The special work session began with a presentation from Perseverance Volunteer Fire Company represented by President James C. Gallagher, Jr and Chief Albert Sergio, Jr. Fire company representatives presented a survey of financial support from the surrounding municipalities urging Borough Council to reconsider the cut in funding as proposed in the draft 2011 budget. They pointed out the Souderton Borough is one of the lowest level of contributors but acknowledged the added expense to Souderton Borough to provide workers compensation insurance and fire hydrant maintenance. In the history of the Perseverance Volunteer Fire Company they never approached Souderton Borough Council for additional funds. They noted that the economy is negatively affecting the fund drive campaign and growing mandated training has impacted on the available time of members to balance service, training and fund raising activities. Representatives of the Perseverance Volunteer Fire Company noted that many of the neighboring municipalities have adopted a special fire tax to provide dedicated funding to support fire and rescue services. They suggested that Borough Council may want to consider this special tax in the preparation of the 2012 Budget.

Eric Boynton of 21 Hillside Avenue and proprietor of the Clay Rat Studio, 100 Main Street, commented on the Main Street Streetscape project currently under construction and how this investment is attracting interest of other to invest and locate to the Borough. He also expressed appreciation for the recent posting of the parking restrictions on Hillside Avenue.

Borough Manager Michael Coll reviewed the entire draft of the 2011 Budget with members of Borough Council, focusing on the following considerations:

GENERAL FUND

- Proposed tax rate increase of approximately 5% from 4.25 mills to 4.50 mills has been retained.
- Local Enabling Tax revenue has been reduced to more conservative levels as recommended.
- Unlike prior years, this budget is not utilizing any fund balance, which will provide a truly balanced budget.
- Salaries for the Borough Manager, Financial Secretary and Public Works Director will not be increased. The proposed Budget is requesting Borough Council to reconsider a 2% wage increase for the remaining seven full time non-uniformed employees. The added cost of this request is approximately \$7,590 taking into account the additional social security taxes.
- Spring and Fall newsletters have been deleted from the budget. Additional funds have been set aside for upgrades to the web site.
- Police Officer wages will increase by 4% pursuant to the collective bargaining agreement. The additional increase in base salaries for five uniformed employees is \$22,200.
- The budget does not provide funding for any additional new police hires. Borough Council expressed a desire to add additional funding to the police budget for civil service testing for the potential of adding another full time officer in 2012.
- As requested, the proposed budget includes a non-cash expense of \$17,500, which will be applied to fund balance for the purchase of a new car in 2012, or used in the current year.
- Contribution to the Souderton Fire Company has been maintained at \$23,000.
- Contribution to Souderton-Telford Main Streets has been reduced to \$40,000.
- Additional cuts have been made in recreation expenses. Part time summer help positions have been eliminated from the 2011 Budget.
- The budget provides for a tax anticipation loan and the associated interest payments.
- Interfund operating transfers have been reduced, reflecting limited capital spending through 2011.

SEWER FUND

- Sewer rates have been increased by 5% effective with the November, 2010 billing. Even with this increase revenue projections through 2011 have been conservatively projected downward.
- Chief Operator salary will not be increased. The proposed Budget is requesting Borough Council to reconsider a 2% wage increase for the remaining four full time non-uniformed employees. The added cost of this request is approximately \$4,705 taking into account the additional social security taxes.
- Budget projects a reduction in electrical expenses due the selection of an alternative energy supplier mid way through 2010. The Borough also has a permit to land apply sludge, which we expect to implement in 2011, reducing the overall expense of sludge disposal.
- Sewer Capital Fund does not provide any funding for sewer main replacement projects in 2011. Funding has been set aside for certain upgrades to the head works of the plant.
- The Sewer Capital Fund is not utilizing any fund balance in 2011, which is an attempt to recover some lost assets from prior capital spending.

POOL FUND

- This is the most difficult fund to project since we have no operational experience with this brand new facility. Revenue and expense projections have been based on experiences with the old facility and certain information obtained from the surrounding pools.
- The budget projects an ability to sell 600 memberships with a family membership rate of \$275.00 for residents and \$355.00 for non-residents. The rates are competitive with surrounding pools. The final rates will have to be determined in early 2011 and will depend on the actual project construction costs.
- Daily admissions should grow based on this new facility. Neighboring pools reported daily admissions of \$25,000 in 2010. This budget estimates \$30,000 in daily admissions at a rate of \$10 per adult and \$8 per child.
- Concession sales are most difficult to project. Since we have no actual experience we opted to be extremely conservative with this budget projecting a nominal profit. There

will be 98 days of operation in 2011. Concessions will have to gross an average of \$400 per day to achieve this projection. Operating profits will simply go into fund balance for use towards debt service.

- All manager salaries, lifeguard salaries, ticket window employees, associated payroll taxes and insurances will be reimbursed by contract to the North Penn YMCA to begin our first year of operation.
- The budget anticipates that \$90,000 will be generated towards debt service.

CAPITAL RESERVE FUND

- A grant from the State for the pool, along with a CDBG grant for the West Broad Street Storm drain project are included in the 2011 budget, along with a final reimbursement for the Main Street Streetscape Project.
- The budget anticipates that the Pool Fund Raising Committee will be successful in securing major donations for the pool project.
- An estimate has been provided for the remaining draw on the loan for the pool renovation project. The budget is anticipating that \$210,000 may be required from the contingency to complete the project. This will hinge on the success of the fund raising efforts and possible support from our neighboring municipalities in completing the required site work.
- Most of the expense reflects work on the pool renovation project.
- Note that debt service expenses have been moved to a separate Debt Service Fund.

DEBT SERVICE FUND

- The Borough has four General Obligation Loans that will need to be serviced through 2011 and many years thereafter. The Borough Auditor noted in last year's audit that the loan documents specifically require that a separate sinking fund be designated by the Borough to service the loans. Given the addition of the pool loan, I recommend that a separate debt service fund be established beginning in 2011.
- Ideally funds will be transferred into this account in the beginning of the year to guarantee sufficient funding to service the loans. Uninvest will be given authorization to directly withdraw the monthly debt service payments throughout the year.
- The fund specifies each loan, its interest rate and maturity date.

HIGHWAY AID (LIQUID FUELS) FUND

- Revenue comes from the Borough's share of gasoline taxes through the state. Funds are restricted to certain uses. Revenue has slightly declined primarily due to the overall price of gasoline and declining consumer purchases. The formula used by the state to distribute the tax revenue is based on road mileage and population of the municipality. The result of the most recent census may affect future entitlements.
- Most of the fund will be earmarked to an in-place contract to pave the final wearing course on Lawn Avenue, N. Fourth Street, N Fifth Street, Main Street and possibly Summit Street. There will be no oil and chip work in 2011.

Following the budget discussions, Chief Leary requested an Executive Session to discuss certain personnel matters with members of Borough Council. The Executive Session began at 8:55 pm and ended at 10:00 pm.