

Council President Larry J. Googins called the meeting to order at 7:00 PM in Council Chambers of the Economy Municipal Building to conduct business of general purposes.

**PLEDGE OF ALLEGIANCE**

Mr. Googins introduced James Sas, Treasurer, Economy Borough Recreation Board, and Tim Minella, Recreation Board Member. Mr. Sas is giving a finance report on the Recreation Board activities and finance; when appointed was asked to look at 1) the historic financial position, 2) organization including the change in the State Borough Code effective July 16, 2012, requiring municipalities to handle the finances, and 3) what they believe would be the mission of the Recreation Board. Mr. Sas reported there are no financial records; there are bank statements; there is evidence that the bank statements were reconciled to the checkbook; the checkbook notates that checks were written to specific parties; deposit slips were stapled within the checkbook showing the evidence of monies being deposited; the source of the money being deposited is absent; all of the invoices that would support the distributions from the checkbook are absent; some notations of what something may have been for or not been for; Mr. Sas is a Certified Public Account for 25-30 years; the absence of documentation does not necessarily dictate that the disbursements were made inappropriately; it just means that the evidentiary matter necessary to support that are absent; because of the detail in the checkbook, the deposit slips stapled, the evidence that it had been reconciled, the additional documents received (registrations from the 1997 5K race; all of the names of the participants of the 2004 Easter Egg Hunt); great deal of minute detail that would lead him to believe that there probably was or is evidentiary matter which was not provided; does not know why it was not provided; any conclusion he has related to the historic position of the Recreation Board is speculative; it is difficult for the Recreation Board to understand with both Council Members and Council Representatives on that board that there was no financial accountability back to the Council; somebody in his position would assume that if a Council Member is sitting on a subsidiary board, that the Council Member is responsible for reporting the activities of that subsidiary committee to the Council; if an independent observer, then the independent observer has some healthy skepticism and assures that the information being provided is correct; not aware that any of that did happen; the conclusion other than when the new board was appointed in March, 2012, they knew how much money was in two individual accounts at Citizens Bank, a checking and a savings account, plus an allocation of separate monies under the Economy Borough budget which was administered from the office; the Recreation Board then took upon itself to attempt to create some level of activities as per previous years; that included establishment of 5 sports camps, Easter Egg Hunt, Snack with Santa, Golf Outing and Community Day; an accounting of each event is provided to Council; the biggest event was Community Day; spent about \$3,000 on reusable items (establishing electric service, stage from bleacher pad, etc.); about broke even with the exception of the one time investments that transferred from the savings account into the checking account; 30-31 of the solicited Economy Borough business provided direct or indirect sponsorship; feels there are two distinct challenges for the Recreation Board, 1) the Recreation Board will need some definition in terms of what it's future role will be; really a sub committee of Council; Council needs to consider three things; 1) if a Council Member is assigned as a liaison or is on the Board, they actually should probably just be on the Recreation Board at this point, versus as a intermediary; history has proven that that is not an effective oversight function; just charge them with the accountability of being a member of the board; 2) there are insufficient funds to run a Recreation Board to include infrastructure of parks; that funding mechanism requires the ability to carry over unused monies from one year to another to allow for the funding of large projects; and it needs a capital stipend that is ear marked for specific projects that may be accumulated over a period of time to address the parks; the largest criticism of the existing board as it is right now is that the parks are in terrible disrepair; primarily cutting grass; we do not have sufficient staffing to maintain the three parks that we have; this is a constant complaint by the residents; specifically Sunset Hills; which is virtually unusable; second is the lack of infrastructure in the parks; there are no toilet facilities; people don't really like porta johns; there is no parking lot at Sunset Hills; there is no awareness that this facility exists; Council has to decide

financially what to do; it will be difficult to find a board who will raise money on behalf of the board and have it revert to the General Fund each year; there is no incentive to raise money for a long term project; that means you just have the events based Recreation Board which is essentially what they became this year; Council has to decide 1) whether the capital infrastructure of the Parks is within the mission of the Recreation Board; 2) must then allow for those major initiatives to be funded both through the carry over ear marking of money from budgetary year to budgetary year as well as the allocation of monies from the Economy Borough budget for capital items; could be ear marked as a dollar amount, i.e. \$10,000, \$20,000 or \$50,000, that process needs to be included in the Council budgetary process to allow the Recreation Board to determine long term solutions to the existing problems within Economy Borough; average play set is \$80,000 to \$100,000; tennis courts are approximately \$250,000; multi purpose courts \$125,000; lights, walk ways, fencing, health/wilderness paths, etc; Council has to give the Recreation Board some guidance whether they are just an events based organization or if they are Parks; if the component of Parks comes into it, Council will need to think about allocation for staff; you need to be able to maintain what you have; not just the grass; the benches, the fences, the trees, the volleyball courts, etc.; short cuts have been taken; can't use the volleyball courts because it is construction sand, when it gets wet it gets hard, has to be rotor tilled up; nobody rotor tills it up so nobody uses the courts; the nets get taken down because they get damaged by the weather because nobody takes them down; what is the solution; you take out one of the volleyball courts because you only need one; can't use that either; so the money that Economy Borough does expend to create some infrastructure is not being maintained; got comments because we put new boards on at the benches at Meddock Park; didn't cost a lot of money, but it is for not if they are not sealed every couple years; Council needs to figure out funding mechanism; and Council needs to figure out if there is going to be a capital allocation; if the parks are a component Council needs to create staff to maintain the parks; might be summer staffing, might be flex; still need a supervisor; could hire a college kid to paint and cut grass; basically it is amazing for a rural borough that there is not substantial green space allocated for parks; have the parks we are limited to; Sunset Hills is virtually unusable; there are no benches; there are two play sets sitting in the middle of a uncut grass field; the existing sports field was taken out; the play set was put in the middle of the play field; there is no parking and the neighbor at the end of the street believes that it is his own private park; they park in front of his yard; Meddock Park is by far the best maintained of the three parks; it has no shelter; it has lights that a neighbor put in to light the basketball courts; it has a 5-6 year old play set; it has no trees, per say; there is no financially feasible way to recover those tennis courts; don't entertain it; in all probability the recommendation of the Recreation Board is to take them out and to use that space for a multi purpose court, bocce court, or something less maintenance, cheaper to correct; there are tennis courts at Economy Park within the confines of Economy Borough; don't see a reason to repeat those infrastructures in the limited space that we have currently; talked about the history and the lack of financial information; Council has an accountability of the current finance situation; they will ask that if Council does not allow the carry over of the existing budgetary funds that Council transfer from the operating budget \$3,000 that they expended for one time costs back to the savings account; informally money that went into those earmarked accounts were allowed to roll over where the money maintained in the operating accounts maintained by the office were not; they do not want that money to go to waste; spent more money than they had; if Council is not going to allow roll over than they would like it transferred over to the Recreation Board specific account for future plans; third Council needs to provide definition to the member base as well as the goals and objectives of the Recreation Board; Council has to decide if it is going to be a Recreation Board or a Parks and Recreation Board; if it's going to be a Parks Board it has to be funded; if it is going to be events based it essentially is break even; they will attempt to provide as many events as they can without losing money; would charge a participation fee that would cover the costs, but with no guise of making a profit off the program; the Board Members believe they are a sub committee of Council; they are not an independent authority; they do not have decision making; they do not have the ability to expend money without the approval of Council, therefore they do not have the ability to make decisions; they can provide guidance, but they can't make decisions because they can't pledge/promise/commit/contractually arrange any event and have it presented to Council and have Council say no they are not going to pay for it; his recommendation for future years is that Council no longer have a liaison between the Recreation Board and the Council that they become a member of the Recreation Board. Mr. Googins reported on July 16, 2012 with the new Borough Code is the requirement that all funds for

Park/Recreation Boards are returned and remain at the borough; there can't be a separate account solely maintained by the Recreation Board; the only way to do what the Recreation Board is asking is to turn the money over year after year; hopefully Council would want to do that; the other question talked about whether they are Parks and Recreation or just Recreation only, needs to be discussed as well as improvements and maintenance of the parks; has to be decided upon; will need the Parks & Recreation or Recreation Committee to look at the budget items; asked if Mr. Sas has any ideas about the budget other than just discussed; how to manager the money to obtain what the Recreation Board is asking. Mr. Sas reported the priorities the Recreation Board set are 1) they believe they should continue to provide community events for the best way for the community to understand the benefits; 2) they think that the existing parks should be maintained with some type of full time or part time help for a period of time; may also include some sort of equipment, i.e. weed whackers, etc.; 3) to identify events as fund raising they have to be purposeful; if they are going to fund raise for a multi purpose court in one of the parks to use i.e. skating in the winter and basketball in the summer; they know that is a \$50,000 or \$60,000 endeavor; while fund raising is a component of that allocation of a capital budget that can be approved over the years is a critical component, one does not occur without the other. Mr. Googins reported he was only addressing the funding as it currently is right now; Mrs. Sovich-Lapinski is working on a capital improvement plan for other items; one is and should be recreation; he is talking about funding as it sits right now, before the Recreation Board was allowed to control their own money, now legally they can not; does Mr. Sas have any reservation of having a separate fund that the revenues and expenditures would be handled through the borough office just like anything else, but have it separate. Mr. Sas reported if Council allocates money that is allowed for use and they are perpetual, the second issue becomes does the Recreation Board as an arm of Council have the ability to make individual expenditures within that allocation or do individual expenditures require approval by Council. Mr. Googins reported he does not know that answer. Mr. Sas reported the reason for that is without the ability to approve individual expenditures i.e. hire a band for Community Day, can't sign a contract, can't even approach the band because that could come up 30-40 days for approval for the check and Council says no; creates some logistical challenges; two parts to the answer he is giving 1) yes, most certainly they think the roll over and ear marking of monies be designated as a capital projects fund or separate fund within the operating budget to facilitate the roll over of monies; 2) how do you utilize those monies and still allow the organization to expend them on a timely basis for purpose. Mr. Googins reported he has had several conversations with representatives of the Pennsylvania State Association of Boroughs who authored the Boroughs Code for the State and their opinion is that we can do what you say; it is only an opinion not from the legal side; just an opinion that Council could authorize i.e. if you have \$10,000 and it is authorized by Council for whatever function you wanted to do, but they are still trying to figure out where they are at with the new Borough Code; will have to look at it more. Mr. Fouse reported it has always been his opinion that a Recreation Board can not contract in any way, shape or form; they can not contract, Council is the only one who can contract on behalf of the taxpayers. Mr. Googins reported the Recreation Board could make the recommendation/decision and get the approval of Council to sign the contact. Mr. Sas reported the Recreation Board does not have a basis to provide Council with a budget because they don't know what components are included; operating for events; operating maintenance for parks; capital; the Recreation Board has given Council each of the three components they think is a start; it is for Council to decide which of the three is valid or all of them are valid. Mr. Googins reported throughout the past years Council has budgeted money for Recreation as part of the General Fund and nearly every year the budgeted money has not all been used; it stayed in the General Fund as a line item in the General Fund when not used; it does not roll over. Mrs. Sovich-Lapinski advised the report provided does not reflect what the balances are in the accounts; going forward Council should know; got reports previously before the new group was appointed, only the checking account was reported; Council was unaware that there was \$15,000 in a money market account; Council will know that now; requested this be an addendum as what the balances are now; going forward and for budgeting purposes for capital issues, Council has a starting point. The secretary reported Mr. Sas has turned over all the books and the checkbook to her. Mr. Googins reported Council needs to decide if it is going to be part of the General Fund or a separate fund and budget that accordingly. Mr. Sas reported the Recreation Board has about \$5,000 in each individual account; Economy Borough has about \$16,000 specifically earmarked for use of the municipal park. Dr. Trecha asked if the \$5,000 has to go back into the General Fund based on the new Borough

Code. Mr. Sas reported not if Council allows it to roll over as ear marked; the existing budget when he saw it has about \$3,600 in it; asking for \$3,000 to go back over to saving which would be enough for that fund to pay the electric, porta johns cost, electric meter charge, etc. Mr. Googins reported there is no problem with having a separate fund; Council has multiple funds; the General Fund is the checking account that takes care of the needs; transfers are made from the separate accounts to the General Fund when expenditures are made from the separate accounts managed by Council. Dr. Trecha asked when Council gets into budget discussion for 2013 this will be a big item; asked Mr. Sas based on what he stated with reference to prior years and lack of evidence found; assumes Council would be chasing good money after bad money if Council wanted to delve into this further as to what the finances were; it's done. Mr. Sas reported the lack of evidentiary matter is key to any kind of audit; forensic or financial and there is no evidentiary matter; thinks Council should let sleeping dogs lie; Council was suppose to have oversight; either through direct representation or indirect representation and clearly with the records he has, none of that ever occurred; even if they gave back monies that was allocated every year, there is no basis to determine if they made \$20,000 and spent \$10,000 or if they made \$8,000 and spent \$12,000; all he has is the checkbook. Mr. Googins thanked Mr. Sas for the reports

### **ROLL CALL**

**PRESENT:** Courtney B. Barthelemy, Esq., Gary Bucuren, Michelle Sovich-Lapinski, Dr. Gregory T. Trecha, Larry Googins

**ABSENT:** RJ Burns, Working; Donald Sivy, Prior Commitment

**ALSO PRESENT:** Mayor David N. Poling, Dale M. Fouse, Esq., Randy S. Kunkle, Borough Manager

### **HEAR THE PUBLIC:**

Mr. Googins opened the meeting to the public; give name and address for the record; restricted to borough business; try to be 3-5 minutes; directed to Council.

Butch Thompson, 116 First Street, discussed the proposed 5 Year Capital Improvement Plan regarding the Recreation Board and that the minutes are not updated on the Economy Borough web site.

JoAnn Borato, 2001 Conway Wallrose Road, discussed Mr. Sas's report on the condition of the Recreation Board.

### **MINUTES:**

***MOTION by Mrs. Sovich-Lapinski, seconded by Dr. Trecha – to approve the Minutes of the August 14, 2012, Regular Session of Council, as written. CARRIED UNANIMOUSLY***

### **COMMITTEE REPORTS and OTHER BUSINESS:**

**FINANCE COMMITTEE:** No Report

### **PUBLIC WORKS DEPARTMENT:**

Dr. Trecha reported the 1995 F350 truck has sold with the eBay bid; now processing payment procedure.

Dr. Trecha reported at the last meeting Mr. Padgett requested the parking lot at Ridge Road School be crack sealed; Mr. Fitzgerald and Mr. Burns inspected same and found the parking lot to be beyond crack sealing; needs repaved; Mr. Kunkle advised AASD via email.

Dr. Trecha reported a Tack Distributor available for cooperative purchase on PA DGS State Contract #2420-02 and only available to DGS registered COSTARS Members, was budgeted for; his committee is recommending the purchase.

***MOTION by Dr. Trecha, seconded by Mrs. Sovich-Lapinski – to purchase one (1) Lee Boy Model L250T Trailered Tack Distributor, 250 Gallon capacity, 40' hose with reel, 5.5 HP Honda gasoline engine, 6 foot hand wand, two propane burners, safety chains for trailer, pintle eye, single axle electric brakes and emergency break-away switches, prewired for towing, on the PA DGS State Contract #2420-02 for the total contract sale price of \$10,188.00 - CARRIED UNANIMOUSLY***

### **PARKS & RECREATION:**

Mr. Bucuren reported:

September 29, 2012 – Golf Outing – Harmony Ridge

December 8, 2012 – Snack with Santa

June 15, 2013 – Community Day

**PUBLIC UTILITIES:** No Report

**PROPERTY and BUILDING:** No Report

### **PUBLIC SAFETY:**

Mrs. Barthelemy requested an Executive Session regarding personnel.

### **MAYOR'S REPORT:**

Mayor Poling read the August 17, 2012, letter from Chief Harrington recommending Justin Skonieczny be moved to permanent status as his probationary period will end on September 1, 2012.

***MOTION by Mrs. Barthelemy, seconded by Mr. Bucuren – authorize Justin Skonieczny to move to permanent status effective September 1, 2012. CARRIED UNANIMOUSLY***

### **MANAGER'S REPORT:**

**1. Dug-out Repairs:** Mr. Kunkle reported the dug out next to the parking area was damaged by a visitor at the pavilion; the Baden resident reported the incident to his insurance company who will pay for the repairs; Fernando Bevilacqua offered to do the following:

\$125 – Remove balance of block and debris and dispose of.

\$450 – Install 8” Block (50), build pier to support roof and reattach roof

\$100 – Rebuild benches using present lumber

\$225 – Repaint Dug-out

\$900 – Total

***MOTION by Dr. Trecha, seconded by Mr. Bucuren – to authorize Fernando Bevilacqua to repair the dug-out limiting the total cost to \$900. CARRIED UNANIMOUSLY***

**2. Police Cars Leases:** Mr. Kunkle reported obtaining RFP's from three vendors for the two cars; one for four years and one for five years; First National Bank provided the lowest quote.

***MOTION by Mrs. Sovich-Lapinski, seconded by Mrs. Barthelemy – to approve and authorize the Police Car Leases to First National Bank; First Vehicle Four Year Lease \$9,603.78/year (+\$375 document fee covering 2 leases); Second Vehicle Five Year Lease \$7,839.50/year. CARRIED UNANIMOUSLY***

**3. MSR Program:** Mr. Kunkle reported as a result of the Clean Water Act of 1972, municipalities are required to establish a Small Municipal Separate Storm Sewer Systems (MS4s) program; all storm sewers and ditches have to be mapped, checked for illicit discharges and test samples; continually and reported annually; he has been managing this program at a minimal level since 2003; it's time to renew the NPDES permit for MS4s and DEP has enhanced the program requirements; Shoup Engineering recently took over 4 municipal MS4 programs and he is recommending Council make Economy Borough their fifth.

***MOTION by Mrs. Sovich-Lapinski, seconded by Dr. Trecha – to authorize Shoup Engineering to take over the Economy Borough MS4 requirements. CARRIED UNANIMOUSLY***

**4. Resolution No. 439 – Winter Maintenance Agreement:** Mr. Kunkle reported for the past ten years Economy Borough has been in agreements with PennDOT whereby they pay Economy Borough to do Winter maintenance on a number of State Roads; the second five year agreement has expired and a new one is ready to be entered into. Mayor Poling suggested adding additional State Roadways. Council will discuss this for the future.

***MOTION by Mr. Bucuren, seconded by Dr. Trecha – to authorize the execution of the Five Year PennDOT Winter Maintenance Agreement. CARRIED UNANIMOUSLY***

**5. 2013 Minimum Municipal Obligation – Pension Plans:** Mr. Kunkle presented the 2013 Minimum Municipal Obligation for the Police Pension Plan (\$202,892.00) and the Non Uniformed Pension Plan (\$80,559.00); the MMO's must be presented to Council by September 28, 2012 and can be adjusted between now and the passage of the 2013 municipal budget.

## **REPORTS:**

**SECRETARY:** No Report

**SOLICITOR:** No Report

**ENGINEER:** No Report

## **NEW BUSINESS:**

Mrs. Barthelemy requested Council review the proposed draft Complaint Policy within the next two weeks for possible Council vote at the next meeting.

## **HEAR THE PUBLIC II:**

Mr. Googins reported he would open up the Hear the Public Part II at this time for any items discussed during the meeting.

Butch Thompson, 116 First Street, discussed the police car leases; five years is a long time for a car like that; feels 3 years would be better and then start over. Mrs. Sovich-Lapinski reported the four year lease and the five year lease are within the budget restraints and Chief Harrington is comfortable with that plan right now.

Sal Boboth, 105 Timber Ridge Drive, discussed if when the new police cars arrive, will the old police cars be sold or used by other departments and will the used equipment be transferred to the new cars. Mr. Kunkle reported Council has the option of selling the used cars or repurposing them to another department; the equipment may not fit or be reliable in the new cars.

Steve Borato, 2001 Conway Wallrose Road, discussed if the Tack Distributor could be bid out to see if Economy Borough could get it cheaper than the State Bid. Mr. Kunkle reported Pennsylvania speeded out and bid out the Tack Distributor; Walsh has the State contract for this.

***MOTION by Mrs. Sovich-Lapinski, seconded by Mr. Bucuren – to enter into Executive Session to discuss Police contract negotiations, with no vote to be taken tonight. Time: 8:19 PM CARRIED UNANIMOUSLY***

***MOTION by Mrs. Sovich-Lapinski, seconded by Mrs. Barthelemy – to return to the regular order of business. Time: 8:19 PM CARRIED UNANIMOUSLY***

## **ADJOURNMENT:**

***MOTION by Dr. Trecha, seconded by Mr. Bucuren – to adjourn the meeting. Time: 8:19 PM CARRIED UNANIMOUSLY***

Respectfully submitted,

Susan A. Blum  
Borough Secretary  
September 10, 2012