

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**

***MOTION by Mr. Sivy, seconded by Mrs. Sovich-Lapinski – to enter into Executive Session to receive an update on the Public Works Contract negotiations by Vicki Beatty. Time: 7:00 PM  
CARRIED UNANIMOUSLY***

***MOTION by Mr. Sivy, seconded by Mrs. Sovich-Lapinski – to return to the regular order of business. Time: 7:43 PM CARRIED UNANIMOUSLY***

Mr. Fouse reported during Executive Session the Public Works contract negotiations were discussed with no vote at this time.

Mr. Googins introduced Vicki L. Beatty who explained background on the Act 111 process; Act 111 provides for collective bargaining for police and fire fighters; in the absence of reaching an agreement in a strict time line; Act 111 prohibits police and fire fighters from striking; they are permitted to go to Interest Arbitration for purposes of determining the terms and conditions of their collective bargaining agreement; a panel of arbitrators is appointed (1 neutral and 2 as partial arbitrators); she served as the partial arbitrator for Economy Borough, Eric Stoltenberg represented the FOP and Elliot Newman was the neutral arbitrator; a hearing process occurs (this was in March); the arbitrator ultimately decides what the terms and conditions of employment are; Economy Borough has received an arbitration award that provides Economy Borough with a number of items and cost savings Council was looking for; regular part time officers were added to the bargaining unit requiring clarification of benefits for full-time officers only; wage increase for full time officers (2 ½%, 3%, 3% and 3%); adds a new pay scale for new police hires (approximately \$14,000 savings for each new employee); changes Healthcare coverage to Teamsters Plan A effective 01/01/2014 (approximately \$40,000 savings each year for the next 3 years); officers will be contributing to the healthcare premiums (2015, 5%, 2016, 5%); change in language for health care coverage that Economy Borough shall have the right to change the medical insurance to Plan 9A of the Western Pennsylvania Teamsters and Employers Welfare Fund; post retirement healthcare for new hires is eliminated; established a vacation for new hires; eliminated vacation buy back (averaged \$6,000 in 2011 and 2012); most significant impact on Economy Borough financially is the added DROP; Economy Borough agreed 2 contracts ago to add a DROP for the police officers; language was not specific about what the intent was; the language was added when Act 44 authorized a DROP Plan for up to 5 years based on normal retirement age (estimated \$48,631 to \$141,024 additional cost per year); Added 2 years DROP to age 54 and 25 years of service (do not have the significant annual actuarial liability); DROP is a 2 year window from a 5 year window that is authorized under Act 44; the previous written contract would force Economy Borough to pay out at least \$48,000 per year additional cost into the pension plan; the pension plan is underfunded; the state aid will not cover the annual MMO; the added \$8,000-\$141,000 would have been General Fund money. Mr. Sivy verified the elimination of vacation buy back was for full time and part time officers. Mrs. Sovich-Lapinski reported the costs of Mrs. Beatty arbitration services to date is approximately \$14,000; has significantly saved Economy Borough during the contract period and in the long run a substantial amount of money. Mr. Googins invited questions from Council and the residents. Pat Skonieczny verified the amounts for this process and that the arbitration award is a public record but the actual contract is not printed yet; asked why Mrs. Beatty was paid to come and explain this when it could be read. Mr. Googins reported Council wanted it publically explained by Mrs. Beatty who worked the contract and not just a spread sheet so people could ask questions. Mrs. Sovich-Lapinski reported additionally it is now of record. Joann Borato verified that the new hire pay scale (adding 1 more year) is now elongated to 60 months. Mrs. Beatty reported the Arbitration Award was

drafted in a way that would provide specific language that could be inserted in the Collective Bargaining Agreement. Mr. Kunkle reported the document is on the Economy Borough hard drive and can be incorporated. Mr. Fouse reported he feels it should be incorporated. Mrs. Barthelemy asked Mrs. Beatty to provide a condensed version of the DROP Plan. Mrs. Beatty reported a DROP Plan is an additional methodology for retirement for an existing defined benefit pension plan; the police under state law have a defined benefit pension plan which provides them with 50% of their final average salary at retirement; the DROP Plan allows for an officer to retire at a specified date (often a normal retirement date) to take their retirement but continue to be employed with the municipality; the officer is considered to be retired on the date they enter the DROP; their retirement benefits are set as of that date so that they entered the DROP Plan (i.e. 5 year plan) their benefit is calculated on their 2013 final average salary; the amount that they would get for their pension benefit is segregated in an account (either in the pension plan or some other account) they can't take that money; they are guaranteed under Act 44 that they will get between 0% and 4% interest on that money as mandated by state law; the officer that enters into the 5 year DROP has to retired then and separate from employment no later than 5 years from entering the DROP; they can leave sooner, but they have to leave by 5 years; they then get to take that account where the 5 years of pension benefit has accrued with them and they continue to receive their pension based on their retirement date 5 years from now; the officer does not get the benefit of wage increases during that period of time for purposes of their pension benefit, but they do get wage increases based on working for you; DROPs were originally intended to be done on a ad hoc basis; i.e. to give an incentive to an officer leaving and if a transition period was wanted; the legislation now provides that if you are going to have one you have to provide across the board when you might now want to incentive everybody to stay for a couple of years; once somebody enters the DROP, Economy Borough will no longer get state aid for that officer; their salary is not included in the payroll for purposes of determining your annual MMO; you will not get state aid for that officer; The DROP that Economy Borough has is only for 2 years (not 5) and it fashioned so that in the first year Economy Borough will continue to get the state aid for the officer who enters the DROP; Economy Borough will be looking at 1 year without the state aid for that officer; the officer can only enter the drop at age 54 (normal retirement age is 50) with 25 years of service; on an actuarially basis Economy Borough would not have the additional cost predicted to have in prior actuarial reports. Mrs. Barthelemy reported the conception is that the DROP Plan would not cost Economy Borough anything. Mrs. Beatty reported Economy Borough's Actuarial Study in the past has been based on an assumption of an average retirement age of 54; when you add a DROP Plan it becomes more costly for Economy Borough because the assumption that the actuaries make is that people will not wait until age 54 to retire; they will enter the DROP at age 50 and you have 4 years of benefits that is being paid out that the actuary did not count on Economy Borough having; that is where the annual contribution skyrockets; people will get retirement benefits into a separate account 4 years sooner than the actuary predicted. Mr. Googins reported 8 years ago he read statements in formation published from State advisors that the DROP Plan would cost municipalities nothing; that is what they were stating when that Council agreed to the DROP, 2 contracts ago; Council has since found out that that is not true. Mrs. Skonieczny verified that the retirement age remains at 50, but they can not enter the DROP until age 54; and that the formula for the state aid is approximately \$3,000 per unit and it is a double unit for each officer.

## **ROLL CALL**

**PRESENT:** Courtney B. Barthelemy, Esq., Gary Bucuren, Tom Fetkovich, Donald Sivy, Michelle Sovich-Lapinski, Larry Googins

**ABSENT:** RJ Burns, Excused

**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.

Pat Kosarych, 1240 Tevebaugh Road, came before Council regarding aggressive dogs running loose at 1275 Tevebaugh Road; called the police numerous times; was told there was nothing they could do; called Beaver County Humane Society; they are not up and running yet; reported owner of 1275 Tevebaugh lives in a trailer with the floor broken down, uses a generator for electric, a gas well for heat and no sewage, uses a bucket and bottle for a bathroom, throwing the waste over the hill; referenced Economy Borough ordinances regarding dogs and cats. Mr. Googins advised this will be looked into. /Mayor Poling asked if Economy Borough has a leash law; this is the first he heard of this; will review the reports to see what was done. Ms. Kosarych requested feed back on what is found out. /10/08/2013 corrected to read "Mayor Poling confirmed Economy Borough has a leash law; this is the first he hear of this complaint".

Pat Skonieczny, 104 Rock Rose Drive, asked regarding the prior discussion if Economy Borough is now on notice of possible liability. Mr. Fouse reported would have to have notice in order to sue municipality; not certain there would be a claim.

Bob Mecchia, 211 Fernwood, suggested in order to have the public be more aware of who is out there that Economy Borough employees and Council wear photo ID's. Mr. Kunkle confirmed the employees have photo ID's. Mr. Googins reported he has a photo ID. Mr. Mecchia felt all Economy Borough vehicles and equipment should be labeled in contrasting lettering, i.e. Earl's truck. Mr. Googins reported Mr. Fitzgerald's truck is labeled; next time larger letters.

Dennis Biega, 98 Celestial Drive, reported an unnamed resident of Sproat Avenue told him that the contractor told Economy Borough that if Economy Borough would give them the black top they would pave the whole street for nothing; was Council aware of that; they are upset because now Economy Borough has to pave that street. Mr. Kunkle asked Mr. Biega who did they tell? Mr. Biega reported they told the engineer or somebody. Mr. Googins reported Council did not know anything about that. Mayor Poling reported he heard that and asked the question at the last meeting; does not know who it was discussed with; Scott Shoup did not know anything about it. Mr. Googins reported Mr. Kunkle could call the contractor. Mr. Biega said he would ask again who told what to the resident.

## MINUTES:

Mayor Poling requested page 413 of the September 10, 2013 minutes be corrected to read "Mayor Poling questioned the Economy Connection being used for political purposes."

10/08/2013 – corrected to read "Mayor Poling questioned Council Members using the Economy Connection for political purposes."

***MOTION by Mrs. Sovich-Lapinski, seconded by Mrs. Barthelemy – to approve the Minutes of the September 10, 2013, Regular Session of Council, as corrected. CARRIED UNANIMOUSLY***

## COMMITTEE REPORTS and OTHER BUSINESS:

### PUBLIC WORKS DEPARTMENT:

Mr. Kunkle reported Public Works has finished the paving, back filling and moving on to drainage work.

## **PARKS & RECREATION:**

Mr. Bucuren reported: December 7, 2013 - Breakfast with Santa, tentatively 9:00 AM  
June 14, 2014 – Third Annual Community Day

Mr. Bucuren reported the Recreation Board meeting was cancelled; /will have recommendation on the replacement for Beth Markovicz after the next meeting. / 10/08/2013 – corrected to read “the Recreation Board may have a recommendation on the replacement for Beth Markovicz after the next recreation Board meeting.”

**PUBLIC UTILITIES:** No Report

**PROPERTY and BUILDING:** No Report

## **PUBLIC SAFETY:**

Mrs. Barthelemy reported Public Safety is in the process of collecting applications for police chief; the Public Safety Committee (not sure about Mr. Burns; has been notified via email) will be meeting with Mr. Gamble on Thursday for a status of the process

## **FINANCE COMMITTEE:**

Mrs. Sovich-Lapinski reported the Finance Committee has met regarding the 2014 budget; will meet again tomorrow for a second review; hopefully budget to Council in short order.

## **MAYOR’S REPORT:**

Mayor Poling reported according to the Walmart engineer the sidewalk is in the plans when they went through the planning process; does not know why and how they are being removed now. Mr. Googins reported they are not until Council talks about it; when he talked with the engineer, he didn’t know why they were being put in. Mr. Fouse reported our engineer questioned the long term maintenance issues. Mayor Poling reported it was brought up 4-5 years ago regarding the maintenance, the attorneys for Walmart reminded that Council and Planning about the revenues that Walmart would be bringing into Economy Borough. Mr. Fouse reported Walmart does not want to do the maintenance; if the property is sold along that road, the question becomes how can Economy Borough impose upon those property owners the obligation of the sidewalk maintenance. Mr. Googins reported his simple question is, if the sidewalk necessary to go up that hill and will anybody use it?; if they are it is a different story, but if they are not then a sidewalk would be put in that few if any people would ever use that we would have the obligation to maintain; why would Economy Borough want to install a sidewalk on a borough road; Economy Borough does not have sidewalks on other borough roads except residential areas; looked at it; does not seem to make sense; did check with the Sisters of St. Joseph. Mayor Poling reported they were concerned about the ones on State Street; a different issue; talked to Sister Mary and it was a recommendation from them; they asked the Walmart engineers about walk ways up to the Walmart; Rick Celendar, CEC, went back to Walmart and they agreed to put in sidewalks. Mayor Poling reported if people wanted the option to walk up to Walmart they have the sidewalks, if not they have to walk on the roadway; will Economy Borough be obligated down the road to install sidewalks when now it is being paid for by Walmart; have to look at the full picture, look at the revenues that will be coming into Economy Borough; that is a small fraction of the revenues even if Economy Borough has to maintain them; block them off in the winter. Mr. Googins reported no decision has been made to keep or remove; it is up to Council. Mrs. Sovich-Lapinski reported she could not see anybody hiking up there. Mayor Poling reported it is already in the plans.

Mrs. Sovich-Lapinski reported during the site visit they were told it would be a small change order. Mrs. Barthelemy reported to take them out; it is a long steep hill leading up to Walmart; could not see people hauling bags of groceries up and down the hill; does not even see walkers wanting to walk up and down that hill; it will be heavily trafficked. Mayor Poling reported these are the people from Conway who go to Giant Eagle now. Mr. Googins suggested everyone go look at it and see what you think; previously Mr. Burns wanted to know what the slope of the hill was on the side of the proposed sidewalk; not a hurry, wants everyone to look at it. Mr. Fouse reported the Planning Commission and consultant could comment on it as well. Mr. Googins asked Mr. Kunkle to have the Planning Commission to make a comment on it. Mr. Kunkle asked anyone going to look at this to contact him first to get permission. Mr. Googins asked if there is a final Developers Agreement and requested a copy of same; asked Mr. Fouse to review for sidewalks. Mr. Fouse reported there is nothing in the Developers Agreement about sidewalks or who maintains them; if there is going to be a sidewalk, it needs to be added to the Developers Agreement.

Mayor Poling asked if Mr. Googins made a decision about retracting the Walmart article in the Economy Connection. Mr. Googins reported he did not make any decision to retract; there is no question about retracting. Mayor Poling reported he asked Mr. Googins to retract his name from the article; the article says they were invited; according to the emails on the Walmart visit was set up on August 5<sup>th</sup>; also set up to use the front cover of the Economy Connection for the picture being originally taken at the site; 2 Council members were left out; were notified an hour before the meeting. Mr. Googins asked Mayor Poling if he has been up to the Walmart site. Mayor Poling reported yes. Mr. Googins asked Mayor Poling if he ever invited any of Council. Mayor Poling reported no. Mayor Poling reported he feels the reason to go to the Walmart was to get the picture of people who were up for election and use the tax dollars of the Economy Connection and put it on the cover. Mr. Googins reported he took the picture out for the same reason; there are 2 things in the article; 1) tell the residents they visited the site and 2) tell the residents where is the Walmart and how it is doing because you can not see it from the road.

**MANAGER'S REPORT:** No Report

**REPORTS:**

**ENGINEER:** No Report

**SECRETARY:** No Report

**SOLICITOR:**

Mr. Fouse reported 2 litigation items for Executive Session; the NLSC Assessment Appeal Case and the Real Estate Tax Collector Compensation Case; will not need a vote tonight.

**NEW BUSINESS:**

Mrs. Barthelemy asked Mr. Googins to read the article to assure no changes are made to the article; to put an end of this discussion. Mr. Googins reported there is a file picture of a Walmart as they did not want pictures taken of the actual site; the article reads "Members of the Borough Council and the Planning Commission were invited to view the progress of the construction of the new Walmart Supercenter located behind the Northern Lights Shopping Center. The Project Superintendent reported that the construction is progressing very well despite the unusually wet weather and will be completed on schedule. I would like to thank all the members of the Borough Council, Planning Commission, Borough Engineer, Solicitor, Mayor, Police Chief and Borough

Manager for the coordinated effort needed to bring this vital commercial development to Economy Borough, adding jobs and economic stability to our Borough, and the potential future improvements and commercial growth to the Northern Lights Shopping Center.” Larry J. Googins, President, Economy Borough Council Mr. Googins reported the last part is his thank you to the members for doing that; does not know how you can say thank you without saying your name.

## **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.

Pat Skonieczny, 104 Rock Rose Drive, feels the article in the newsletter is misrepresented; asked if the Sunshine Law was violated as 4 Council were together. Mr. Fouse reported not a Sunshine violation; if they would have deliberated and made a decision potentially could be a violation. Mrs. Skonieczny asked Mr. Kunkle who he talked to about the sidewalk and what authority he had. Mr. Kunkle reported a representative of the Sisters who was speaking on behalf of the Sisters. Mr. Googins reported the sidewalk was talked about in public session at the last meeting.

Joann Borato, 2001 Conway Wallrose Road, reported the Center Twp. Walmart does not have sidewalks connecting to the doors of Walmart store; just around the bank at the parking lot entrance; same at the Chippewa Walmart; verified that the printing of the Economy Connection is paid by the advertisers and the postage is paid by Economy Borough.

***MOTION by Mrs. Sovich-Lapinski, seconded by Mr. Bucuren – to enter into Executive Session to discuss the NLSC Assessment Appeal Case and the Real Estate Tax Collector Compensation Case; will not need a vote tonight. Time: 9:04 PM CARRIED UNANIMOUSLY***

***MOTION by Mrs. Sovich-Lapinski, seconded by Mr. Fetkovich – to return to the regular order of business. Time: 9:25 PM CARRIED UNANIMOUSLY***

## **ADJOURNMENT:**

***MOTION by Mr. Sivy, seconded by Mr. Bucuren – to adjourn the meeting. Time: 9:25 PM CARRIED UNANIMOUSLY***

Respectfully submitted,

Susan A. Blum  
Borough Secretary  
October 7, 2013