

December 22, 2008

CALL TO ORDER

The Special Meeting of Oakmont Borough Council was called to order at 7:05 PM by President Federici.

PLEDGE OF ALLEGIANCE

All those who were present and able stood and recited the Pledge of Allegiance.

ROLL CALL

Present: Council Members Calabrese, Favo, Kennedy, Ride, Taliaferro, Zentgraf and President Federici; Mayor Fescemyer; Solicitor Shoop; Interim Borough Manager Mator and, Assistant Borough Secretary Jensen

Excused: Chief DiSanti

Visitors: Harold Adams, Judie Beynon, Dorothy Calfe, Victor Calfe, George Coulter, F. R. Favo, Sue Martin, Matt Mehalik, Tom Meising, Matt Provenza, James Snyder, Rich Williams and Karen Zaph

REGISTERED COMMENTS FROM THE PUBLIC

No one was registered to speak that evening.

COMMENTS FROM THE PUBLIC

Tax Increase – Sue Martin, 621 Twelfth Street, read portions of two emails from residents who were against a Borough real estate tax increase for 2009. She noted that, if all properties in Oakmont were fairly assessed, taxes could be lowered.

She asked, “Does Council have to raise the total amount this year?” and suggested that half of the proposed increase go in for 2009 and the other half in 2010.

President Federici noted that Borough Council had also received the letter from Kim Butler, 4 New London Lane, one of the residents Ms. Martin had quoted. Mr. Taliaferro said he wanted to respond to Ms. Butler’s questioning whether municipal buildings needed repairs right away. He said the boiler in the Fire Hall almost exploded last year. He described this as a “very dangerous situation.” Mr. Taliaferro thought it would be very imprudent to get behind in routine maintenance of the municipal buildings.

George Coulter, 1301 Summit Drive, said he knew it was a tough job doing a municipal budget, but asked Council to be mindful of the many residents in Oakmont on fixed incomes for whom a tax increased could be tough. He also said he had already seen people move out of Oakmont because of high taxes.

COMMITTEE REPORTS

Financial and Legal Committee

Ordinance No. O38-2008, 2009 Budget Ordinance - Ms. Ride offered a motion to adopt Ordinance No. O38-2008, adopting the final draft of the 2009 budget, as presented by the Interim Borough Manager on December 19th, and setting the tax millage rate at 4.50 mills.

Mr. Taliaferro seconded the motion.

Mr. Kennedy said he was opposed to any tax increase and that he found fault with the Interim Borough Manager's and Library Director's raises in the budget. He said he had no idea how the County had reached some of the assessments on the properties around town, but wondered, "How many people are we going to run out of town [with another tax increase]?" He also said, "I just think it's wrong, period."

Regarding the town's infrastructure, Mr. Kennedy said Mr. Mator has had six months to perform infrastructure repairs, yet has done nothing.

President Federici said Mr. Kennedy's issue with salary raises was already discussed and explained at the December 8, 2008 Regular Business Meeting. He reiterated that if the 2009 Budget passes, no raise for either the Interim Manager or the Library Director would go into effect until Council had approved the specific amount. He said the money was just "in there."

Interim Manager Mator added that he had not come to Oakmont with the intent of raising taxes and that raising taxes is the last thing anyone wants to do. It was only after discussions and inspections with Borough employees that he had recognized the poor condition of the infrastructure, and then formulated the steps, including a tax increase, to remedy those shortcomings.

Mr. Taliaferro said he routinely walks around town and sees exactly what the Borough employees are talking about. He described it as "not a good picture." Mr. Taliaferro went on further to say, "Stuff is falling about in this town. This [tax increase] is just the way it has to be. It's not going away."

Referring to Mr. Kennedy's comments that Mr. Mator had done nothing to repair infrastructure since he has been here, Ms. Zentgraf said Mr. Mator had done nothing yet because there was no money available with which to do it. Council Member Favo countered that there was a lot of money in the 2008 Budget that was not spent.

Treasurer Fred Favo said he had received an email on the bond money at 4:15 PM today, that was dated December 20, 2008. He said Mr. Mator's statements in the email were incorrect, and that Mr. Mator was taking the same road taken by former Borough Manager Roger Dunlap on this, over which the auditor offered to resign two years ago. "You are saying the Borough owes the Sewer Fund \$200,000, which is not true," said Treasurer Favo.

President Federici challenged the veracity of Mr. Favo's statement that the auditor offered to resign over this issue in the past.

Treasurer Favo said there were incorrect amounts listed in the Budget Ordinance. Mr. Mator said he explained in his email to Council and the Treasurer how he had arrived at the bond figures in the Budget Ordinance.

He said he had gone through all the documents that he was aware of regarding the bonds, including the ordinances, a memo from former Borough Manager Roger Dunlap, and the bond binders themselves. Instead of having to go through this redundant process, which he stated took a lot of Borough time, he asked the Treasurer why the Treasurer's figures and rationale were not passed on to the Interim Borough Manager earlier in the budget process by stating, "Why didn't you just give me the correct figures, per your assessment?"

Mr. Mator also mentioned that he had contacted the Borough's Auditors about the bonds, and that they were of the opinion that the breakdown between the Sewer and General Funds did not matter since the bond payment was commingled anyway. Mr. Mator said the bottom line was that the Borough will make correct payments on the bonds.

After a continuing, circular discussion with the Treasurer, he again asked Mr. Favo, "What do *you* say is the correct amount?" To which Mr. Favo responded, "You're missing the point."

Ms. Ride asked Solicitor Shoop what could be done if the figures in the Budget Ordinance were discovered to be inaccurate *after* the budget had been passed. Mr. Shoop said that the correct amounts could still be paid even after the budget was passed. Treasurer Favo asked for verbiage in the Budget Ordinance that would allow for corrected figures, if necessary, in the future.

Solicitor Shoop said this would not matter in terms of the bond payments that have to be made. "The millage is set, based on the budget, not what's owed on bonds," commented Mr. Shoop. Mr. Favo repeated that he felt the bond figures in the Budget Ordinance were incorrect. Mr. Shoop said, "The ordinance is to adopt *the budget*. If the bond money is too little or too much, we adjust. If we can't agree on an amount, work it out. We're trying to pass the budget tonight."

Treasurer Fred Favo said he was also having trouble with the balances in the General Fund. He asked what remained to be spent in 2008. Council Member Tim Favo said this was his question two weeks ago, and that the balances must be reconciled.

Fred Favo asked when the new truck for the Street Department was to be paid. Mr. Mator said the check for the truck would be issued the following week, and that the major items remaining to be paid out in 2008 were the truck and one more payroll. Tim Favo said, "You have \$256,000 left that's unaccounted for."

Treasurer Favo said he was concerned over some definite problems he had seen in the budget documents, and as Borough Treasurer, it was his responsibility to point this out. He said the set up of the Liquid Fuels Fund was wrong.

"As I have said again and again," said Interim Manager Mator, "I have spoken with both PennDOT and the state auditors about the Liquid Fuels Fund, and it is set up correctly." Mr. Mator said what was showing in the account now was an estimate, based on the fact that we may need to buy salt before the end of the year. He said there were over 700 line items in the 2009 Budget, and that every one of them could not be questioned the way they have been. He said he drew up the budget based on the documents he had available to him, and that budgets are inherently flawed because they rely on "predicting" *future*

revenues and expenditures. He finished by stating that budgets are only as good as they are managed.

Treasurer Favio said he didn't want to "draw this out," but that there were incorrect amounts that should be changed. He felt he was correct about the Liquid Fuels account, and that there were restrictions on how the money could be spent.

Solicitor Shoop reported that the remaining money in the Library bond had been returned to the Borough to use as it saw necessary. Mr. Shoop said the money should go into the Library's operating fund since the architect still had a final payment coming.

Council Member Favio asked when the sewage rate fee increase would go into effect, and had Mr. Mator accounted for this in the budget. Mr. Mator said the budget figures were accurate, based on the spreadsheet he had received from the Municipal Authority regarding this issue.

Mr. Favio said he still wanted to see a reconciliation of the cash balance, which he now calculated to be \$1,183,000. Mr. Mator said he would need some time to figure that out.

At 8:12 PM, President Federici called for a short break; the meeting resumed at 8:23 PM.

Upon resuming, Mr. Favio and Mr. Mator entered a discussion regarding a cash balance of \$256,000 that was not part of the reconciliation.

Mr. Favio then said, "That's all I have."

Ms. Ride proposed that Council move forward with the vote to adopt the 2009 Budget. She imagined there would be refinements that would be made over the year. She also said she was supporting passage of the budget, in part, due to the decrease in the millage rate from the School District last July. Essentially, there will be a .33 mill increase per resident when both School and Borough millages are taken into account. She said she also felt it was important to keep the community maintained properly, and concluded by saying to those in the audience, "I hope we can tell you of the improvements made with this increase at the end of the year."

Ms. Ride then read Ordinance No. O38-2008, the 2009 Budget Ordinance, in its entirety.

On a called vote, the votes were as follows:

Dr. Calabrese	Yes	Ms. Ride	Yes
Mr. Favio	No	Mr. Taliaferro	Yes
President Federici	Yes	Ms. Zentgraf	Yes
Mr. Kennedy	No		

By way of explanation for his "No" vote, Mr. Favio asked that the following statement be read into the record:

1. The Sewer increase is enough. We are obviously in difficult financial times. Everyone is affected by the economy. We have to address an increase in our Sewer billing, and that is more than enough cost increase for the current economic conditions. Hitting our residents

with the highest percentage increase in real estate taxes in the Community's history, is callous and unnecessary.

2. The claim that the increased taxes are going to improvements to "infrastructure" is not accurate. The numbers say the complete opposite. We are increasing our Liquid fuels budget \$100K + and creating two new reserve capital funds for another \$100K. This money is equal to the proposed tax increase and is not scheduled to be used in 2009. So in reality we are increasing our Reserves and not our infrastructure work.
3. We have plenty of money as of 12/19/08 we had cash balances of \$1,347,307. If things are not getting done, it is not because of funding.
4. There is \$120K unaccounted for, and there has been no reconciliation forthcoming although I have requested it three times.

The motion passed, 5 to 2.

President Federici declared the ordinance enacted. Recorded in Ordinance Book Volume 30, Page 40, as **Ordinance No. O38-2008**.

Resolution No. R42-2008, PA Right-to-Know Law - Ms. Ride said she had been caught off guard in connection with this resolution, and asked Solicitor Shoop to explain why it was being presented.

Mr. Favo said the resolution was required by the end of the year. Mr. Mator said that it was required by state law. Solicitor Shoop said the resolution was just formalizing what has already been in effect.

Ms. Ride then offered the motion to adopt Resolution No. R42-2008, adopting a policy for inspection and duplication of public records in accordance with the Pennsylvania Right-to-Know Law, Act 3 of 2008.

Mr. Kennedy seconded the motion.

Noting that the resolution appointed the Borough Manager as the "Borough Open Records Officer," Mr. Favo said he thought there should be a back-up person in the absence of the Borough Manager. Solicitor Shoop agreed and suggested that the Assistant Borough Secretary be appointed. "Then we'll have to amend the resolution," said Mr. Favo.

Ms. Ride read the resolution so that Section 1 of the resolution was amended to read as follows: "**Section 1.** The Borough Council hereby appoints the Borough Manager, and in his or her absence, the Assistant Borough Secretary,
as the Borough Open Records Officer, . . ."

Ms. Ride continued to read the resolution in its entirety.

On a called vote, the votes were as follows:

Dr. Calabrese	Yes	Ms. Ride	Yes
Mr. Favo	Yes	Mr. Taliaferro	Yes
President Federici	Yes	Ms. Zentgraf	Yes
Mr. Kennedy	Yes		

The motion passed, 7 to 0.

President Federici declared the resolution adopted. Recorded in Ordinance Book Volume 30, Page 44, as **Resolution No. R42-2008**.

Public Safety Committee

Ordinance No. O1-2009, Lock Box Provision – Mr. Taliaferro offered a motion to authorize the Interim Borough manager to advertise Ordinance No. O1-2009, creating a Lock Box provision in the *Oakmont Borough Code*.

Ms. Zentgraf seconded the motion.

Mr. Favo asked if there was to be a Public Hearing on this ordinance. Solicitor Shoop said the ordinance should be advertized and the public given the opportunity to speak at the February 9, 2009 Regular Business Meeting.

Ms. Zentgraf said she wanted Mr. Mator to meet with Oakmont Volunteer Fire Department Chief Peoples and get the background on this ordinance. Mr. Mator said he would ask the Chief to be present at the February Business Meeting. The Pre-Enactment Notice will also include mention of the Public Hearing.

The motion passed, 7 to 0.

Planning and Economic Development Committee

Resolution No. R43-2008, Former Benjamin Moore Property – Mr. Favo offered a motion to adopt Resolution No. R43-2008, accepting the gift of the Benjamin Moore property, located on Allegheny Avenue and designed as Lot and Block No. 362-G-360 in the Deed Registry Office of Allegheny County.

Mr. Taliaferro seconded the motion.

Mr. Favo asked Solicitor Shoop to give the background on this resolution. Mr. Shoop said that, thanks to Council Member Favo, the Benjamin Moore Paint Company had offered the Borough their Oakmont property. He said Benjamin Moore had done some clean up, and that the property could never be designated for residential use. He went on to say that he drew up the necessary transfer papers and had reviewed the environmental statements. Benjamin Moore asked that the transaction be completed by the end of the year. Mr. Shoop said he was not privy to what the Borough intended to do with the property, comprised of approximately 1.5 acres.

To Ms. Zentgraf's question about waterfront frontage, Mr. Favo said there was approximately 75 feet of waterfront to the property. Mr. Favo noted that Council had not seen any of the environmental reports on the property. Mr. Shoop said he had verified that Benjamin Moore had done all the clean up required by the state, and that the property had been environmentally cleared, with the only restriction being that it could not be used for residential buildings.

Mr. Favo said the property had been "cleared by Act 2 Clean-Up," and that a possible use for the property might be to provide river access for the Fire

Department's boats. When Mr. Kennedy pointed out that the Borough already had a launch area, Mr. Favo said the Moore waterfront could be used by the Fire Department to actually dock their boats.

Dr. Calabrese asked what the value of the property was, and what the legal fees were for drawing up the property transfer documents. Mr. Favo estimated the property's value at \$10,000 to \$15,000. Mr. Shoop said he would have to look into the legal costs.

Mr. Favo read the resolution in its entirety.

On a called vote, the votes were as follows:

Dr. Calabrese	No	Ms. Ride	Yes
Mr. Favo	Yes	Mr. Taliaferro	Yes
President Federici	Yes	Ms. Zentgraf	Yes
Mr. Kennedy	Yes		

The motion passed, 6 to 1.

President Federici declared the resolution adopted. Recorded in Ordinance Book Volume 30, Page 45, as **Resolution No. R43-2008**.

Engineering & Public Works Committee

Tomko Final Estimate No. 8 - Ms. Zentgraf offered a motion to authorize payment of Final Estimate No. 8 associated with the Plum Creek and Washington Avenue Pump Stations improvements to W. G. Tomko, Inc., in the amount of \$8,051.09.

Dr. Calabrese seconded the motion.

Mr. Taliaferro asked if the project were complete. Ms. Zentgraf said that it was, and that this was the final payment owing to Tomko for this project.

The motion passed, 7 to 0.

Resolution No. R44-2008, Anderson to Municipal Authority Board – Ms. Zentgraf offered a motion to adopt Resolution No. R44-2008, reappointing William Anderson to the Municipal Authority Board of Governors.

Ms. Ride seconded the motion.

Ms. Zentgraf read the resolution in its entirety.

On a called vote, the votes were as follows:

Dr. Calabrese	Yes	Ms. Ride	Yes
Mr. Favo	Yes	Mr. Taliaferro	Yes
President Federici	Yes	Ms. Zentgraf	Yes
Mr. Kennedy	Yes		

The motion passed, 7 to 0.

President Federici declared the resolution adopted. Recorded in Ordinance Book Volume 30, Page 46, as **Resolution No. R44-2008**.

Recreation, Cultural and Community Assets Committee

December 22, 2008

Mr. Kennedy said his comments have been “ignored in the past,” so he had nothing new to say.

Human Resources, IT & Communications Committee

Dr. Calabrese said she had no items to discuss that evening

UPCOMING PUBLIC MEETINGS – President Federici referred those present to the list of public meetings itemized in the Agenda, noting that dates were correct as of publication of the Agenda.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Tax Increase - Dick Williams, 1324 Summit Drive, thanked the five Council members who voted for the tax increase, and the two who did not for their “loyal opposition.” He said, “Good government has to have opposition.”

He then went on to thank Ms. Ride for her perspective on the tax increase in relation to the School District’s millage rate. He said there were five new properties at the Summit that would be bringing in more tax revenue, as well as the upcoming Edgewater developments.

Mr. Williams noted that Oakmont Borough had a history of keeping property taxes low, and even now, had enacted one of the smallest tax increases in the Allegheny Valley. He felt that we were all now coming up on a difficult time in American history.

He concluded by saying that he would like to see more cooperation between the Treasurer and the Borough Manager. “Leave politics aside,” he said, “It will only hurt Oakmont.” He said he would also like to see more attendance at Council Meetings since what he hears most often from other residents is criticism.

Capital Fund and Riverside Park – Harry Adams, 1217 Tynesfield Road, referred to a letter he had, then asked Mr. Mator to explain the Capital Projects Fund for parks? Mr. Mator explained to him how and why the Fund had been set up. It had been set up for larger, future projects which will require substantial funding. Mr. Adams asked what percent of the Fund was earmarked for Riverside Park. Mr. Mator said that \$50,000 had been set aside for recreation in the Capital Reserve Fund. This fund will be able to accumulate money that will help the Borough become more eligible for Pennsylvania Department of Conservation and Natural Resources (DCNR) grants, which require matching funds from the municipality.

Mr. Adams said he supported improvements to Riverside Park and asked that the property be better taken care of in the future. Mr. Kennedy asked him what his objections were, specifically. Mr. Adams said the Park needed “some TLC, specifically the Field House.” He said he felt that well-maintained restrooms were vital and that the Park’s bathrooms “have a worn look.”

Ms. Zentgraf explained that that was why the Borough was trying to accumulate more money for recreation in a reserve fund. If the municipality has money to contribute to a project, this provides more leverage when applying to funding sources for assistance.

Mr. Adams said he thought the track also needed some help. Ms. Zentgraf remarked that the Park’s track was the only cinder track left in the area, with the exception of the Catholic schools.

Mr. Kennedy said that the Summer Programs at the Park used to be much more extensive, but that other summer programs for children began to compete with what the Park's Program could offer.

Discount Drug Program – Mr. Williams said that Pennsylvania residents can now take advantage of a state program for discounted prescriptions. He recommended that residents go to www.padrugcard.com for further information.

MISCELLANEOUS ITEMS

Year in Review – President Federici said the Borough had experienced a year in transition in 2008. He said some semblance of normalcy had returned when Mr. Mator came on in July as Interim Borough Manager. The conclusion of legal proceedings with the Edgewater property developers was also a significant event in 2008.

President Federici wished everyone a safe and peaceful holiday season, and announced that Council would be returning to Executive Session following the meeting.

ADJOURNMENT

There being no further business to conduct that evening, Mr. Kennedy offered a motion to adjourn the meeting. Mr. Taliaferro seconded the motion, which passed 7-0.

The meeting was adjourned at 9:31 PM.

Daniel Mator
Interim Borough Manager

Transcribed by: L. C. Jensen, Assistant Borough Secretary