

December 3, 2008
Kutztown, PA

A special meeting of the Kutztown Borough Council was called to order at 7:30 p.m. in the Kutztown Municipal Building by the President, Mr. Malcolm A. Eidle, with other members of Borough Council present: Mr. Edwin K. Seyler, Mr. James F. Schlegel, Mr. Mark R. Gangewere, Mr. Kevin J. Snyder, Ms. Amy Bray and the Mayor, Ms. Sandra Green. Mr. Keith Mooney, Borough Solicitor; Mr. Gabriel Khalife, Borough Manager/Treasurer; Mrs. Gina M. Wiand, Director of Marketing Communications and Customer Relations/Assistant Borough Secretary; Mr. Frank Caruso, Director of Information Technology; Mr. Russell Samilo, Director of Finance/Assistant Treasurer; Mr. Robert Toth, Student Ambassador to Council; Mr. Joe Haughey, Student Ambassador to the Mayor; residents Lisa Ladd-Kidder, Brendan Strasser, Dave Remaley, Kenneth Kern, Joe Quinlan, Milton Kern, Art Goldberger, Jeri Carroll Coliccio, Craig Koller, James Carroll, Jay Druckenmiller, Martin Smith, Mark Arnold, Tracy Arnold, Evelyn Adams, Carl Lobb, Jan Crooker, Paul David; Kutztown University representative Jerry Silberman; and Ms. Lisa Mitchell, reporter for the Kutztown Area Patriot were also present.

After introducing himself and CCG, Doug Dawson presented the CCG report relating to the review of Hometown Utilicom (HU). He began his presentation by stating that the two major tasks of this study were profitability and engineering. Mr. Dawson reported that the overall conclusion of the report is that "the current business is run really efficiently." He also remarked on his surprise that HU is "very near to break-even condition," considering the size of the business and the price competition in town.

Regarding profitability, Mr. Dawson made several points:

- HU should come close to breaking even in 2009.
- Although it may not be "wildly profitable," the system will pay for itself.
- Services to the Borough should be billed at market rate.

Regarding engineering, Mr. Dawson made several points:

- The current HU technology works fine, but it is obsolete, and should be replaced within three to five years, using old equipment as spares.
- Although HU has 50% of the customers in town, the fiber is not evenly distributed, so customers cannot be added in some areas.
- System bandwidth is limited because of the way it is being used.

Mr. Dawson proposed some short-term improvement ideas:

- Add local programming.
- Increase data speeds because HU is "vastly superior to competition."
- Initiate door-to-door marketing.
- Have more open discussions about rates and sensitive issues.

Mr. Dawson proposed some long-term improvement ideas:

- Add digital services.
- Add IPTV.
- Expand outside of the Borough's boundaries by "cherry picking" certain areas.
- Take back voice services by amending the arrangements with D&E.

President Eidle asked if there was anyone who wished to address Council before proceeding with the agenda.

Kutztown University representative Jerry Silberman and Borough residents Joe Quinlan, Paul David, Milton Kern, Jan Crooker, Lisa Ladd-Kidder, Art Goldberger and Craig Koller all asked questions and made comments regarding HU. Lengthy

17719

conversations ensued, and all questions and comments were addressed by Mr. Dawson, Borough Council, Borough staff and Solicitor Mooney.

Under Personnel Committee, President Eidle called for an Executive Session at 9:26 p.m. to review 2009 wage proposals for salaried and other nonunion employees. Mr. Gangewere left the meeting at 9:45 p.m. The Executive Session ended, and the meeting reconvened at 10:01 p.m.

A motion was made by Mr. Seyler, seconded by Mr. Schlegel, Resolved, To approve a four percent wage increase for all salaried and other nonunion employees in accordance with the provided list of employees. Passed by a majority vote with Mr. Snyder voting nay and Ms. Bray abstaining because she is Bonnie Bray's daughter-in-law.

A motion was made by Mr. Seyler, seconded by Mr. Snyder, Resolved, To approve a four percent salary increase for the two pool managers for 2009. An additional increase will be considered contingent upon their acquiring the pesticide applicators license, with a category 24 pool endorsement. Passed by unanimous vote.

A motion was made by Mr. Seyler, seconded by Mr. Schlegel, Resolved, To table the motion to authorize the appropriate Borough officials to adopt a leave of absence policy for Borough employees. Passed by unanimous vote.

Off of the agenda, President Eidle announced that the Borough Electric Department was presented with a safety award from AMP-OH.

Off of the agenda, under Public Works Committee, a motion was made by Mr. Schlegel, seconded by Mr. Snyder, Resolved, To approve the payments for the street light and storm sewer projects. Passed by unanimous vote.

Under Finance, Electric and Telecommunications Committee, the proposed budget for 2009 was introduced and reviewed.

A motion was made by Mr. Seyler, seconded by Mr. Schlegel, Resolved, To transfer money from the Electric Revenue Fund to make up for a shortfall in the General Fund. An amount was not available since the budget had not been finalized. Passed by unanimous vote.

A motion was made by Mr. Seyler, seconded by Mr. Snyder, Resolved, To not increase electric rates in 2009. Passed by unanimous vote.

A motion was made by Mr. Seyler, seconded by Ms. Bray, Resolved, To increase the 2009 fire tax from .15 to .40. Passed by unanimous vote.

A motion was made by Mr. Schlegel, seconded by Mr. Snyder, Resolved, To authorize advertisement of the proposed Ordinance to adopt the 2009 real estate tax rates. Passed by unanimous vote.

Under Miscellaneous, a motion was made by Mr. Schlegel, seconded by Mr. Snyder, Resolved, To authorize advertisement of the proposed Resolution to adopt revised labor and equipment rates for 2009. Passed by unanimous vote.

A motion was made by Mr. Schlegel, seconded by Mr. Snyder, Resolved, To approve the preliminary list of 2009 Council and committee meetings and authorize advertisement of meetings. Mr. Schlegel noted that the Kutztown Transportation Authority will meet in the Kutztown Train Station. Passed by unanimous vote.

A motion was made by Mr. Schlegel, seconded by Mr. Seyler, Resolved, To adjourn the Council Meeting upon vote. Passed by unanimous vote. The meeting ended at 10:13 p.m.

Prepared and Attested by: Gina M. Wiand
Assistant Borough Secretary