

November 7, 2009  
Kutztown, PA

The special meeting of the Kutztown Borough Council was called to order at 8:30 a.m. in the Kutztown Municipal Building by President Malcolm A. Eidle, with other members present: Mr. Edwin Seyler, Mr. James Schlegel, Mr. Mark Gangewere, Mr. Kevin Snyder, and Mayor Sandy Green. Mr. Gabriel Khalife, Borough Manager/Treasurer was also present.

A motion was made by Mr. Snyder, seconded by Mr. Seyler, Resolved, To appoint Gabriel Khalife as provisional Borough secretary for the duration of the meeting. Passed by unanimous vote.

Mr. Eidle announced that an Executive Session will be held at the next regular Council meeting on November 17, 2009, starting at 6:30 p.m. to conduct employment interviews with the eligible candidates for the position of patrol officer.

Mr. Khalife reviewed the proposed 2010 budget. He provided an overview of the budget, stating that either a 1 mill increase in real estate tax (0.45 mill for General Purposes and 0.55 mill for Recreation Purposes) or a 2.5 percent increase in electric rates will be required to balance the 2010 budget.

With regard to the electric rates and the proposed 2010 budget, a discussion ensued concerning the recent proposal by AMP to sell off 1.75 MW of the Borough's 2010 committed power to save the Borough about \$200,000 toward the cost of power in 2010. A motion was made by Mr. Gangewere, seconded by Mr. Schlegel, Resolved, To confirm selling off the 1.75 MW. Passed by unanimous vote.

The budget discussion continued, and it was noted by Mr. Khalife that the above-

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mentioned sell-off will help but not eliminate the Borough's total of excess power for 2010. The Foundry has increased its use and will help to reduce the Borough's margin losses. Mr. Eidle noted that, in his opinion, the Borough has always been best served by relying on the electric rates and revenue rather than by taxes and further believes that a lot has been done to minimize any type of rate increase but that an increase needs to be considered for 2010. Mayor Green commented that the Borough needs to do a better job educating and explaining to the residents the operations of the Borough and the functions and services of each Department. Mr. Snyder noted that with the economy the way it is and people struggling to make ends meet, any type of increase would hurt and asked if there were any areas that could be cut additionally. Mr. Khalife noted that a lot of capital projects, including items carried over from the 2009 budget because of budget constraints, need to be done in 2010. He further indicated that \$100,000 of revenue will be generated from the tax increase or from the electric rate increase and will be committed to matching funds for a DCNR grant for North Park if the grant is awarded (phased over two years), and if not awarded, the funds will go towards new park play equipment and park building rehabilitation. As a result of the discussions, it was the consensus of Council to utilize a 2.5% increase in electric rates across all categories instead of increasing the tax rate for the 2010 budget.

Council then moved into Executive Session to discuss non-union employee pay increase for 2010 and a retirement incentive package for nonuniformed salaried employees. Following the Executive Session, a motion was made by Mr. Seyler, seconded by Mr. Schlegel, Resolved, To approve the wage and benefit package as proposed for non-union employees with a 2% wage increase. The 2% wage increase for

seasonal employees will not be distributed until the review of the pool is completed. Included in the motion was a window for eligible employees to take advantage of the retirement incentive as well as a requirement to sign a notice of retirement general release. Passed by unanimous vote.

There being no further business, the meeting adjourned at 10:00 a.m.

Prepared and  
Attested by: Gabriel Khalife  
Provisional Secretary