

MINUTES
FORD CITY BOROUGH COUNCIL
REGULAR MEETING
LOCATION – FORD CITY PUBLIC LIBRARY
DECEMBER 7, 2009

CALL TO ORDER John Lux called the meeting to order at 6:01 p.m. and advised the audience that the meeting will be audio and video taped.

Lux asked if there is anyone in the audience audio or video taping the meeting. There was no response.

PLEDGE OF ALLEGIANCE

The pledge of allegiance followed a moment of silence.

ROLL CALL

Terry Tokarek, Tim Malec, Ron Dillard, John Lux, Ray Klukan, Tom Shaffer, and Mayor Mantini were present.

ATTENDANCE

Ron Olsen, Jerry Miklos, Paul Harmon, Tom Ondrusek, Chris Zionkowski, Todd Pilston - FCPD, Frank Wolfe - Borough Solicitor, David Nichols - Borough Engineer, and Lou Vergari were also present.

ANNOUNCEMENTS

The announcements were read by Lux. (Attachment)

MINUTES

Klukan made a motion to accept the minutes from 10-19-2009. Seconded by Shaffer. Motion Carried. 5-0 Malec abstains.

Shaffer made a motion to accept the minutes from 11-9-2009. Seconded by Klukan. Motion Carried. 6-0 Unanimous

Shaffer made a motion to accept the minutes from 11-23-2009. Seconded by Dillard. Motion Carried. 4-0 Malec and Klukan abstain.

POLICE REPORT

Klukan made a motion to accept the Police Report for November 2009. Seconded by Shaffer. Motion Carried. 6-0 Unanimous (Attachment)

Mayor Mantini read a letter from Jason C. Peffer requesting to be rehired as a part-time police officer.

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Shaffer made a motion to hire Jason C. Peffer as a part-time police officer for the normal (12) twelve month probationary period, passing a physical examination, psychological examination, and background check to be performed at the direction of the Sgt. in Charge and the Mayor and to be paid the current wage of the part-time police officer. Seconded by Klukan. Motion Carried. 6-0 Unanimous

COMMITTEE REPORTS

Dillard reads the Water Report. (Attachment)

Dillard made a motion to accept the Water Report. Seconded by Malec. Motion Carried. 6-0 Unanimous

Shaffer reads letter from Susan Wolf dated 11-30-2009. (Attachment)

Shaffer reads Treasurer's Report for October 2009. (Attachment)

Shaffer made a motion to accept the Treasurer's Report for October 2009 and pay the bills in the amount of \$55,041.13 as approved by the Finance Committee. Seconded by Klukan. Vote 3-3. Malec, Dillard and Tokarek voted no.

Dillard questions Shaffer about balance for HAT Park account.

Shaffer states the borough has paid off Nextier loan and tax anticipation loan using the HAT Park account.

Tokarek asks if this was voted on?

Shaffer answers no, did not have to vote.

Malec asks if there was a legal opinion regarding withdrawal from account.

Solicitor Wolfe states tax anticipation loan had to be paid off by the end of the year. He then comments that there should be a fund transfer and there should be a vote. Wolfe explains council has never followed budgetary rules.

Malec states that this has been an issue for years on this council but that it doesn't make it right. He then questions if all three members of finance discussed and voted on.

Lux commented that he knew it had to be paid so told to pay.

Malec states that it was premature to pay in September, at this time still had twenty (20) some days to pay.

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Shaffer apologized for paying bills on time.

Vote 3-3, Malec, Dillard and Terry voted no.

Mayor Mantini breaks the tie in favor of paying bills. He then states the reason as being Susan Lasher's comments about the budget and borough.

ENGINEER REPORT

David Nichols reads his report and detailed the repair of leaking valve on 5th Avenue. (Attachment)

Malec questions if age of valve was the problem?

Nichols answers yes, the bolts on bottom were a problem and salt and water wouldn't help. Age of valve was the problem. Holbein fixed over a three (3) day period to get finished before Thanksgiving.

Dillard states borough failed to notify residents as in previous service interruptions caused by emergency water line repairs.

Nichols commented that he made a suggestion to notify the customers and it wasn't done.

Dillard comments customers need to know prior to work if it is planned work, we should notify customers for even short periods of time.

Nichols states law goes into effect next year that customers must be notified by telephone.

Nichols asks who the school district utilizes. Need to contract with a service.

Dillard questions if there are any plans to enlarge the 17th Street connection?

Nichols answers that no one has discussed anything with him..

Lux states that Dillard and Nichols need to meet with Manor Water.

Dillard and Nichols will meet with Manor Township sometime next year.

Dillard questions if Nichols spoke with Pete about the four other valves?

Nichols states no.

Dillard states Pete has requested permission to purchase valves in anticipation of repairs.

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Nichols states that more inventory is needed on hand. Borough can't rely on supplier having the unique sizes for cast iron pipe.

Mayor Mantini asks if there is any written procedure to notify customers.

Lux answers no.

Nichols states there is a public health emergency plan.

Tokarek questions status of H2O grant.

Nichols comments that the borough has a favored position for next round of funding. Have not seen a grant agreement for the borough.

Lux states that he has not seen any letter

Malec brings up letter from DEP and asks if anything has been done with it.

Nichols did call DEP and explained new council members have been elected and would like to defer until the first of the year.

Malec asks when the next round H2O grant.

Nichols answers middle of 2010.

Malec questions if DEP accepted explanation.

Nichols comments DEP didn't have ground to initiate action against the borough. Would like to keep communication open.

Mayor Mantini questions if any liaison has communicated with Senator White.

Lux stated a letter will be sent to Senator White about funding.

Dillard made a motion to accept the Engineer's Report.
Seconded by Malec. Motion Carried. 6-0 Unanimous

OLD BUSINESS

TOWING ORDINANCE

Shaffer made a motion to authorize the Council President to sign the Towing Ordinance. (Attachment)
Seconded by Klukan. Motion Carried. 6-0 Unanimous

BID OPENING #2 - BULK DEICING SALT

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Cargill - \$60.50 per ton/minimum order 23 ton
Ocean Port LLC - \$87.00 per ton

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Dillard made a motion to accept both salt bids. Seconded by Malec. (Go with lower first) Motion Carried. 6-0 Unanimous

Lux questions about purchasing from county.

Lisa Bittner answers that the county sent a letter stating that the borough was unable to purchase through COSTARS.

Mayor Mantini questions if it is cheaper for liquid or sand to be used on Ford Street.

Dillard states he will contact Pete to discuss. Allowed to use liquid chemical or sand.

Sandy Hutchinson questions about salt from tires being carried onto Ford Street.

Lux comments it isn't as bad as putting salt directly on it.

POLICE PENSION PLAN - AMENDMENT

Shaffer made a motion to advertise the amendment to the Police Pension Plan that will include the implementation of the Killed in Service Act as required by previous audit findings for the Police Pension Plan.

Seconded by Dillard. Motion Carried. 6-0 Unanimous (Attachment)

Mayor Mantini wants council to explain the basics to the public.

Shaffer states that borough is liable for life for police officer salary if killed in service, the insurance is protecting borough and officers.

Mayor Mantini adds people have assault rifles to use against police.

Dillard questions if officer's are equipped with equivalent armor if there is an assault with military style weaponry.

Mayor Mantini comments about vests.

Pilston comments vests protect up to 1500 feet per second.

Dillard comments that tactical equipment needs to be purchased for patrol cars.

Mayor Mantini states that this can be discussed in executive session.

PARKING - FCHS - 5TH AVENUE

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Klukan states that cars should be ticketed along the gym side where parents are dropping off in the fire lane.

NEW BUSINESS
OFFICE COPIER

Shaffer made a motion to accept the Sharp 4101 and keep the Ricoh 1045 from Comdoc as a lease purchase with a maintenance agreement on a 60 month lease at a monthly cost of \$449.02 and authorize the Council President to sign the agreement based on the recommendation of the Borough Employees. (Attachment)
Seconded by Klukan. Motion Carried. 6-0 Unanimous

GAZEBO REQUEST

Dillard made a motion to grant permission to Patricia Sproull use of the Gazebo on Saturday, July 31, 2010 2 pm - 4 pm.
Seconded by Klukan. Motion Carried. 6-0 Unanimous

TAX ANTICIPATION LOAN 2010 - \$75,000

Shaffer made a motion to authorize Solicitor Wolfe to prepare the necessary paperwork for a Tax Anticipation Loan in the amount of \$75,000.00. Seconded by Dillard. Motion Carried. 6-0 Unanimous

CITIZEN COMMENTS – OPEN COMMENTS AT THIS TIME

Ron Olsen - Ford City Area Business & Professional Association

Thanks current board for their positive efforts. Ford City Light Up was a success. Another holiday event will be held at the 10th Street Station on Wednesday, December 16th at 7:30 pm. The River City Brass Band will perform free to public.

Economic development of Ford City is struggling. The efforts to renovate Riverfront Property was initially a success with the support of S&T Bank. S&T Bank issued a loan to CDC in the amount of \$500,000 and was never paid back. At the time of the loan, the borough didn't have collateral, therefore it was a character loan. In the event Ford City turns itself around, I would like the borough to consider paying money back to S&T Bank.

Happy Christmas, Ford City making good turn around.

Jerry Miklos - States he was here at last regular meeting in November. At that meeting you gentleman stated you would attend the next Board of Health meeting to see what action should be taken against me. Met on 12-02-09 before the next Board of Health meeting and decided what action to take. Dillard prevented me from asking questions and I was forced to leave the meeting.

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I would like to request a hearing.

Dillard states is a personnel issue.

Miklos states he is not employed by borough.

Dillard comments that Miklos gets a check from borough for services rendered. We will handle this in executive session. When you were notified about removal, you had 10 days to make an appeal.

Miklos questions service council is providing to Ford City. "Why rush to judgement, what service are you providing to the community. Who is going to serve under this premise, unless you have some agenda that I am not understanding." Questions why they do not want to hear his side of the story.

Miklos states this is a kangaroo court.

Miklos asks about industrial park and council's lack of transparency.

Malec states an email was sent out on 12-03-09 from F & M Bank about loan default. In executive session in July we were informed that this was going to happen, we were told there was not enough money to pay back.

Shaffer stated that there was not enough money to pay off the demand note.

Malec suggested in July to pay full amount of loan payment. Have not heard anything since until the Kittanning Paper.

Lux stated that he knew about letter and talk of foreclosure, they wanted full amount of note.

Malec asked what the opinion of council is.

Solicitor Wolfe comments that he had not gotten any messages from council per Shaffer.

Malec still believes this is a good project.

Shaffer states CDC refused to cooperate.

Malec states that Shaffer forced GFCCDC into bankruptcy.

Shaffer questions Vergari whether he is still the president of the GFCCDC.

Klukan questions where \$8,000,000 in grant money went.

Malec states he wasn't there when all the money was spent.

Grants went into engineering river wall, parking lots, renovation of shop 2

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exterior, and states he was not on CDC the whole time.

Shaffer reads letter. More complicated than paying off. CDC did not release audit.

Malec asked that this council decide fate of project.

Vergari states not to give up this project without a fight. Do not give up this piece of property without a fight. OEM Shades paying \$11,000 rent per month, going directly to bank. Cou

Lux states CDC wasn't paying full payment, bank contacted council, bank told council that they got a letter CDC would only pay interest. Lux states CDC was to be watching out for the borough.

Vergari states CDC had \$25,000 in account to pay interest on loan.

Lux states Nextier Bank was to be paid off when the CDC got a grant. Council got stuck with the bill and had to pay to stop foreclosure.

Lou Vergari comments there is a lot you don't know, Vergari states he was black balled from CDC. FBI still investigating, CDC trying to pay people off because it was the right thing to do. Basically Shaffer destroyed the CDC.

Shaffer questions Lou about CDC audit, and asked if any alternatives were given to CDC.

Shaffer states he will not sign an illegal paper.

Miklos states council is disgraceful, have lack of transparency, and everything is sneaky.

Dillard comments that Miklos was sneaky when he was council president.

Miklos states council let this town go down the tubes.

Klukan asks for Jerry to be removed from meeting.

Lux comments that borough would have to pay 2.8 million dollars to keep the building.

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Malec asked if council could get together and discuss this to come up with another solution.

Dillard asks for legal input.

Solicitor Wolfe states Ford City Borough has no obligation to pay.

1) Way to come up with money
time note \$1,000,000
\$330,000 demand note ,
Borough would have to come up with money bank wants by
12-13-09.

2) Business decision

We have tried to get a tenant to move into the building.

Minimum would be a \$2,000,000 commitment and Ford City has the water plant hanging over.

Mantini states that taxes would need to be raised 6 mil to pay.

Ron Olsen stated he was the original grant writer for CDC. In general the figures in Mr. Shaffer's letter is pretty accurate. Came before council and told we had a dilemma. Nextier was willing to refinance this entire project with F& M. Markilinski thought it would be better to file bankruptcy. Council is at end of line.

Shaffer states this puts private money in project and hopefully whoever buys they can build up and revitalize the project.

Olsen states it is a cleaned up environment, structure and all utilities there, just waiting for a tenant. Goal is to get jobs into community.

Vergari asks if Lux can speak with county about taking over the property.

Dillard states government money will not make project fly, need private investment. The pool of government monies awarded before has been expended.

Malec comments project never discussed by this council.

Wolfe states that the 13th is the last day.

Shaffer made a motion that the Borough Council respect the decision of F&M Bank to resolve this matter; further that the Borough Solicitor be directed not to file any paperwork which would serve to delay the legal process; and further that Ford City Borough Council welcomes and will work with any entity that will continue the project and complete it.

Seconded by Klukan. Motion Carried. Roll Call Vote 4-2

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Tokarek - No
Malec - No
Dillard - Yes

Lux - Yes
Shaffer - Yes
Klukan - Yes

SOLICITOR COMMENTS

Would like to go into executive session to discuss ACA Engineering.

MAYOR COMMENTS

Congratulations to FC Police Department for receiving the AAA Gold Award. Condolences to Penn Hills Police Department on loss of officer. Thanks to the flower committee, light up night committee, this council which made a lot of positive changes, and councilman Shaffer. Merry Christmas.

COUNCIL COMMENTS

Tokarek - Good bye and thanks to Allegheny Power for putting up new lights.

Malec - New Year's Eve at CU club to benefit the library.

Dillard - Thanks to audience. Merry Christmas & Happy New Year. Not easy being a politician, thanks to Tim Malec and Terry Tokarek for service. To Tom - Thanks, did best you could from your viewpoint

Klukan - Merry Christmas.

Shaffer - Make sure votes are counted because 66 votes not counted. Do have respect for all of council. Ford City needs to move forward and thanks for the respect given me. Good Luck to new council.

Lux - Thanks to outgoing members, Tim, Terry, and Tom. A lot was accomplished. With new council members believe we can keep borough afloat. Benefit for Sydney Brison raised \$2068, thanks to everyone.

ADJOURNMENT

Klukan made a motion to adjourn the meeting at 8:14 p.m.
Seconded by Shaffer. Motion carried. 6-0

John Lux
Council President

Lisa Bittner
Borough Secretary

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