

**MINUTES
FORD CITY BOROUGH COUNCIL
SPECIAL MEETING
LOCATION – FORD CITY BOROUGH BUILDING
OCTOBER 18, 2010**

MEETING SIGN IN SHEET

Council President Lux stated everyone addressing council, must sign in on the meeting sign in sheet. All speakers must step to the microphone to speak. Begin with stating your name and address for the record.

Residents shall not speak for longer than five (5) minutes. The total time allotted for public participation shall not exceed thirty (30) minutes unless otherwise waived by a majority of the quorum.

CALL TO ORDER Council President Lux called the meeting to order at 6:02 p.m.

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

ROLL CALL Ron Dillard, Lou Vergari, Paul Harmon, John Lux, Ray Klukan, and Mayor Mantini were present. Rob Mohney was absent.

ATTENDANCE Frank Wolfe - Borough Solicitor, Jeff Stennet, Ryan Cosgrove, Mike Shaffer, Mr. Stivason, Jen Willyard, Steve Arblaster, Tom Ondrusek, Scott Gaiser, Jerry Miklos, and Mitch Fryer were also in attendance.

OIL & GAS WELL DRILLING

Lux opened up meeting to public comments.

Jerry Miklos questions why the meeting was not extensively advertised?

Lux explained it was advertised on website and there was a small ad in paper.

Jen Willyard states you must scroll down on website to see.

Harmon states that a representative from Exco could not attend tonight's meeting. Thought meeting should be cancelled, would like representative to be here.

Greg Dinko discusses what he knows about leases through McCutcheon. Feels this opportunity will not be around for long.

Miklos states what Greg is saying is not true.

Dinko states MDS is paying up to \$8000/acre.

Miklos feels Greg is being misleading.

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Harmon states there is no guarantee, but if sign up with them between January and June the minimum is \$3000/acre, historically have gotten \$8000 - \$15000/acre.

Dinko comments that the opportunity will be done in about 5 or 6 years. Surrounding townships are making up to \$70,000/month in royalties.

Miklos states nobody knows.

Harmon feels it is a gamble.

Lux states EXCO has money up front, MDS no money up front. Feels council should take a chance with EXCO.

Harmon agrees with Lux, since EXCO already has wells around here.

Lux states the borough has a big transmission line running along brownfield, could be a source of collecting royalties.

Miklos asks for location of EXCO wells.

Harmon states golf course and explains they are building a major gas line going up north.

Miklos asks about Marcellus and shallow wells.

Lux answers could both be renegotiated to add shallow wells.

Miklos questions how much borough would get.

Harmon answers roughly \$3000/acre, 181 acres, 3 separate leases, just one would be somewhere around \$543,171.00.

Miklos questions council if there are any provisions to protect wells.

Mantini asks if Miklos could put together concerns to forward to drilling company.

Miklos suggests to council to hire an attorney, in addition to Frank, that specializes in oil and gas leases.

Willyard refers to DCED and special resources available. Questions about roads, and if they will be required to post bonds against road damage.

Lux believes only 5th Avenue can be bonded.

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Harmon believes Solicitor Wolfe can do the job quite well.

Miklos comments you've got to be kidding me, feels several attorneys specialize in this area.

Harmon states Solicitor Wolfe has done a lot of gas wells. Marcellus is a new deal here.

Miklos questions why council would not want to pay a few thousand dollars for an attorney who specializes in this area.

Klukan feels attorneys will want a chunk of deal.

Miklos feels few lawyers would ask for a percentage, most lawyers would work on a fee basis. Can't believe council will not look into hiring another attorney.

Lux feels confident with Solicitor Wolfe and can't understand why Miklos wants council to spend more money when he always makes issues about spending money.

Miklos states that the borough will be getting a million dollars up front and would only have to spend a couple thousand to get another lawyers opinion. Miklos feels council is secretive.

Discussion about lawyer continues between Miklos, Klukan, and Lux.

Dinko questions Solicitor Wolfe if it is a standard lease?

Solicitor Wolfe explains it is a proposal to the borough from EXCO, made comments and returned to EXCO.

Dinko feels that \$3000/acre is standard.

Miklos questions percentage coming out?

Klukan states 18%.

Vergari states 640 acres are wanted, drill down and go out ½ mile in all directions. Will drill on ball fields, dump, and brownfield.

Willyard questions how far drilling will take place from peoples homes?

Solicitor Wolfe states 200 feet away from building.

Miklos questions how far away from water wells?

Solicitor Wolfe answers similar.

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Vergari states they will be below water.

Harmon states that the state has rules, if something happens to water they are required by state law to provide the community with water.

Willyard has concerns about noise and waste water.

Solicitor Wolfe states company must follow state laws.

Dinko states that EXCO is not a drilling company. They set up leases and maintain wells.

Willyard feels there is a right way and a wrong way to go about this.

Klukan states not sure if they will drill on brownfield.

Solicitor Wolfe comments not sure if any surface drilling will take place.

Harmon comments that it has to do with access, get royalties as gas crossed under property.

Vergari explains lease is for (5) years.

Dinko states North Dakota has lowest unemployment rate. Largest oil producer.

Klukan out 6:35 p.m.

Vergari is in favor of this.

Miklos feels it would be great if money went back to people.

Lux states money needs to go to borough [infrastructure] for alleys, streets, etc...

Miklos implies council has misappropriated funds in past.

Lux states all (6) six people on council feel this money must go back in borough.

Vergari comments need a new water plant, plant has 40% leakage.

Klukan back 6:38 p.m.

Council members feel treated water is being wasted.

Lux asks Harmon to contact Mike from EXCO.

Council will schedule a special meeting with a representative from EXCO.

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Will be advertised.

FIRE ENGINE

Klukan made a motion to advertise for fire engine with a single source manufacturer.

Dinko asks if there are any quotes.

Klukan states in the ball park of \$450,000.

Scott Gaiser comments the price increases 4% each year.

Dinko questions firemen about truck.

Klukan states put in for a hydraulic ladder.

Harmon out 6:45 p.m.

Dinko ask if any bid specs from first time.

Klukan answers have them somewhere.

Vergari questions page 45 and ask if amber lights are standard.

Lux, Gaiser, Klukan answer that everything is standard.

Harmon returns 6:47 pm

Dillard made a motion to take specs and advertise for bids for a triple combination pumper. Seconded by Harmon. Motion Carried. 5-0 Unanimous

CODESYS

Dillard discusses third party inspection.

Dillard states that in 2008 there was supposedly a lawsuit against Codesys but it didn't materialize. Would like to consider using Codesys as third party inspector. Ford City Borough would benefit from this, the current third party inspection [Bureau of Veritas] doesn't give any money back to the borough.

Vergari questions who does this now.

Dillard answered Guardian [Bureau of Veritas].

Lux would like to schedule a meeting and sit down with both.

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Dillard states that borough receives nothing back from Guardian. Borough would like to give [non-residential] customers a choice.

Harmon asks if they could do residential.

Dillard states Fred Dzugan does this and borough gets 100% back.

Dillard feels that if we give [non-residential] customers a choice of inspection agency, there will be competition. Borough owes people a choice, gives commercial a choice.

Lux states that Guardian cannot give money back to borough because guardian has to use own inspector. Codesys can offer borough 20% because Fred works for them.

Lux would like to set up meetings with both Codesys and Guardian and make a presentation to council.

Mantini out at 7:04 pm

Vergari ask what the difference is if Fred works for CodeSys or not.

Lux states Fred is the [Building Code Officer] BCO.

Dillard states Fred issues building permit.

Harmon states if Fred would quit could get them to do residential.

Mantini back at 7:06 pm

Dillard states borough would never give up [residential permitting] housing to an outside party.

Lux comments if Fred leaves, we will hire another BCO.

Miklos questions Dillard about lawsuit.

Dillard answers that an individual was going to sue Codesys so borough wanted to wait before doing business with them.

RIGHT TO KNOW REQUEST - POLICY DEVELOPMENT

Lux states need a standard policy, the form, the whole thing. Must be in writing.

PUBLIC PARTICIPATION AT COUNCIL MEETINGS - POLICY DEVELOPMENT

Lux states need a public participation policy for council meetings and must be in writing.

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Dillard asks if this policy will tell council how to react to disruptive meeting attendees.

Lux answers yes.

Dillard feels there is also a need for a weapons policy and that a police officer should be present at every meeting.

Lux comments that this can be done.

CITIZEN COMMENTS

Miklos questions adoption of new policy for public right to know. Feels people are entitled to have public information. Feels borough is discouraging people.

Lux not to discourage people. Would like a standard form.

Willyard feels that a written form would help keep track.

Dillard feels form will not disrupt day to day operations of office.

Miklos states all office has to do is ask him to come back tomorrow.

Lux comments asks for items 15 years back, impossible to get all information the next day. BOH minutes and correspondence for 15 years is not in office, located wherever they keep BOH records.

Miklos states typical of borough.

Lux and Miklos go back and forth about information.

Lux feels it is a never ending battle, feels just likes to disrupt meetings.

Miklos states Lux is afraid of questions.

Dillard states this is a council meeting, not Miklos' meeting. Policy we need for meetings, is to deal with this attitude. This is not a town meeting, it is a council meeting and it has been over 5 minutes. Apologizes to Miklos if he did not get answer he wanted.

SOLICITOR COMMENTS

Solicitor Wolfe had no comments at this time.

MAYOR COMMENTS

Hopes Marcellus brings benefits to the borough. Hopes borough does things right.

COUNCIL COMMENTS

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Dillard would like to hold an executive session stemming off of this meeting. Would like to deal with a personnel issue.

Klukan wants customers charged for copies under the Right to Know Policy.

ADJOURNMENT Harmon made a motion to adjourn the meeting at 7:22 pm. Seconded by Klukan. Motion Carried. 5-0 Unanimous

John M. Lux
Council President

Lisa Bittner
Borough Secretary

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