

November 17, 2015, Council Meeting
Minutes

The regular meeting of Clarion Borough Council was held on November 17, 2015, in the Assembly Room of the Clarion Free Library. President Lapinto called the meeting to order at 7:00 p.m. Everyone recited the Pledge of Allegiance. Councilmembers present were Ms. Roberts, Dr. Sanders Dédé, Mr. Aaron, Mr. Noto, Mr. Bartley, and President Lapinto. Mr. Zerfoss was absent. Dr. Sanders Dédé left the meeting at 7:55 p.m. Chief/Secretary/Treasurer Hall, Solicitor Marshall, Mr. Colosimo, Mr. Preston, and Ms. LaVan were also present. Mayor Walters and Mr. Sharrar were absent.

CITIZEN COMMENTS: Agenda Items

Secretary Hall introduced Lee Stinnett of Salzmann Hughes and Adrienne Vicari of HRG Inc. to give a presentation to Council and the public in reference to a storm water authority.

Attorney Stinnett focuses on municipal law, environmental law, and litigation. Litigation refers to the rate making for authorities and sewer organizations.

Ms. Vicari commented she works for Herbert, Rowland, and Grubic, which is a civil engineering firm that provides engineering and related services to both public and private clients through their 6 offices in Pennsylvania, Ohio, and West Virginia. For HRG, Ms. Vicari was an engineer in water, waste water, and storm water engineering but now manages the financial services division, working with a lot of clients on proper planning, budgeting, and financing strategies in order to help them gain and maintain fiscal help for their communities. Ms. Vicari has been working with a lot of HRG's clients on discussing the formation of storm water authority and is happy to be here tonight to get to know the Borough a little bit better and explain more about storm water authorities and to help the Borough weigh the feasibilities and benefits to see if forming an authority might be right for the community.

Attorney Stinnett stated they are going to explain why the Borough might consider a storm water authority, some of the challenges that may come along with certain steps that may be taken, and things necessary to consider the decision-making process moves along. DEP has to enforce the EPA mandated Municipal Separate Storm Sewer Regulatory structure, which results in them forming their regulatory structure for the MS4 communities in Pennsylvania. The first major MS4 permits are expected in January 2017 and 2018, which is when everybody's going to see the increased oversight as well as the tightening regulations. Attorney Stinnett reported one of the reasons storm water is a problem, especially in Clarion, is the aging infrastructure. A lot of times if you don't see a problem, it didn't get handled, which results in a lot of deferred maintenance. Municipalities are overwhelmed with other government business and don't really come up with a plan to handle these repairs. Attorney Stinnett stated it's important to look at this now and get something in place to be able to pay as the repairs come into play. The Borough is looking out for the general welfare of all the citizens. The MS4 regulations are beginning to tighten up and be enforced. A number of municipalities have already been dealing with MS4 audits, which mostly focuses on whether or not the paperwork is being completed.

Attorney Stinnett pointed out the majority of the audits are identifying a lot of violations due to government entities not focusing on storm water for a lot of different reasons. Municipalities are going to see an increased oversight of their MS4 program. Attorney Stinnett commented another reason with storm water is increased development. As a municipality sees development that brings with it impervious creating more storm water, which provides another issue to deal with. Attorney Stinnett reported the fourth challenge and most important is how does a municipality fund this. Because Clarion Borough doesn't have a storm water authority, the projects are essentially being paid out of the General Fund. This results in not being able to pave roads and complete other projects, because the money set aside in General Fund to do that had to be used to repair the storm water problem.

Ms. Vicari compared this to the 1970's when DEP stepped in and started requiring municipalities to provide secondary waste water treatment. Up until that time, a lot of municipalities were providing that waste water service and budgeting it to their General Fund. But then, the requirements increased to a point where the increased regulations and cost of compliance got to a point where that could no longer be done. Ms. Vicari stated this is when waste water user rates started being charged and development of authorities increased. Right now, a lot of municipalities are at a similar crossroads today. If there is not a storm water authority now, Ms. Vicari commented it is likely to be created in the next 5-10 years. In 2013, Governor Corbett passed Act 68, which gave municipalities the authority to form authorities for the purpose of storm water management. Throughout the United States, there are between 1,800 to 2,000 storm water utilities. As of 2014, Ms. Vicari reported there were 6 storm water authorities within Pennsylvania, most of which were home rule municipalities. Since then and in the last year, both Ms. Vicari and Attorney Stinnett have started to see a lot more municipalities discussing the possibility of forming a storm water authority. In order to do this, the municipality has to amend their articles of incorporation and some other beginning steps necessary to complete the whole process.

Attorney Stinnett added, in the last 6 months, his firm has had an inordinate number of calls from municipalities asking how an authority is formed because of huge expenses anticipated in the near future. This may be due to DEP completing their audits and entities not having the money to respond to it. Reasons for creating authority are 3-pronged; one is the financial aspect, two is the administrative aspect, and three is the jurisdictional aspect. Regarding financial, Attorney Stinnett commented Pennsylvania did amend the Authorities Act to allow for the creation of storm water authority; however, they didn't amend the Borough Code, first-class township code, or second-class township code to specifically authorize the collection of a storm water fee. Therefore, a municipality's only option is an authority to collect a fee. Otherwise, it has to come out of the Borough's tax revenue. If a municipality is basing it on taxes, Attorney Stinnett pointed out it's just not an equitable means of collecting the fees for storm water because a lot of properties are tax exempt but are still providing a big chunk of your storm water issues. In essence, this results in Borough residents covering the bill for everyone out of their taxes. Attorney Stinnett stressed one of the big advantages of a storm water authority is that a fee can be charged to everyone regardless of the tax status; i.e., tax-exempt properties that would otherwise not pay taxes would be required to pay a fee to an

authority. Property taxes are a terrible mechanism for allocating the use of the system for the storm water because the value of a person's property has very little to do with how much storm water you create. A better way to allocate this is to actually look at the impervious of the average residential community and each industrial/commercial/business user and then charge base on how much he/she is actually contributing to the storm water system based on that impervious. Moving on to administrative, Attorney Stinnett stated municipalities has enough to deal with every day. The MS4 program is going to add a significant burden to the body as well. A lot of the authorities that are forming are hiring an MS4 coordinator just to handle the paperwork. If the Borough creates a storm water authority, that authority will be doing this. If Clarion Borough wishes to use Borough personnel, that can be used through a management agreement by the Authority. The Borough will recoup those costs but will have an individual that handling that, which is important to the MS4 audits. DEP is regulating that the community keep up with the paperwork. Attorney Stinnett commented this doesn't mean the entity has not done it, but they cannot find the paperwork that day DEP may have asked for it. The administrative burden is going to be larger than what it saw with the water system. As for the third one, jurisdictional, Attorney Stinnett reported storm water doesn't recognize municipal boundaries. It does not stay in the lines like sewer does. Storm water will run across the Borough boundaries into the township(s). DEP will start to pressure the municipalities to form a joint authority, which is an option. However, it may be more cost-effective to manage the entity's own storm water. As of today, the Public Utility Commission stated they don't regulate storm water, which is true. However, PUC might in 2 years if they don't think DEP is doing as good of a job as they should. Attorney Stinnett commented an authority is a means of removing the Borough from PUC jurisdiction and all the struggles that would be dealt with there.

Ms. Vicari re-highlighted the financial aspects, which is the reason most of the municipalities are interested in forming a storm water authority. One key reason is it provides a steady dedicated stream of revenue. Entities cannot rely on general fund revenue alone; it's just not enough. An authority might be in an easier position to raise rates that are necessary to keep up with regulatory costs. Also, it allows the Borough to take the money that was being spent on the storm water repairs and re-direct them to other needs of the Borough. Another reason is storm water fees are more equitable than a property tax. Ms. Vicari stated it's fairly apportioning the cost of the service based on either the quantity of runoff or quality of runoff that's leaving a property. That's based upon the impervious area. Another important aspect of the fee-based structure is it can be tailored to the actual level of service that the Borough or the authority's providing to different property owners. Ms. Vicari commented the entity has the ability to give credits to property owners that are doing things on their property to limit the amount of storm water or improve the quality of storm water leaving the property. Rain gardens, buffers, and things of that nature will be promoted to limit the storm water that's going to get in the authority's system that will overall reduce the cost of the system and the cost of complying with MS4 plans. The overall credit policy is rewarding the good behavior of the community trying to work together to address storm water. Another financial benefit is to improve the municipality's finances. As mentioned before, Ms. Vicari reported it will allow the Borough to direct that general fund tax revenue to other needs of the community, such as

police, fire, and other infrastructure. The new debt associated with the storm water system would no longer be recognized as a direct municipal debt. The municipality may need to guarantee the debt, especially in the initial years of the authority, but it's possible that it might be able to improve the municipality's bond rating. The authority may be able to take on larger projects than the Borough would be able to and implement the projects in a timelier manner.

Attorney Stinnett commented the municipalities and authorities are working together closely to see when paving projects and so on are being planned to avoid cutting into a road that was just paid to repave.

Ms. Vicari reported another reason is it can provide focused leadership on a single cause. There will not be competition with other needs of the community. It provides an opportunity to start getting the community involved like a stakeholder advisory community. It would be a group comprised of residents, commercial business owners, institutions and industry representatives to start educating them on storm water issues, collaborating with them on solutions, and then having them serve as a liaison that champion the community. Ms. Vicari stated these are just some of the reasons why municipalities are considering storm water authorities. This doesn't mean there aren't challenges or concerns that go along with the creation of one. One is the startup costs associated with implementing a storm water authority. A lot of municipalities don't have excess funds to develop the mapping of the storm water infrastructure, looking at the impervious area coverage so the entities can take the costs and be able to equitably distribute them across all the users; developing the storm water management program; cost of service; level of service review; and establishing the rate and credit policy to name a few. The costs that are spent can really be seen as an opportunity that you contribute back to the community for years to come, because it's creating a revenue stream that can be used to more pro-actively address some of the issues. Depending on how a municipality chooses to transfer the storm water facilities to the authority, Ms. Vicari pointed out has the opportunity to generate a revenue stream back to the municipality. There's an opportunity to sell or lease the assets of the system to the authority either as a lump sum payment or annual lease rental payment based on the value the entity put into those assets in previous years. In some instances, the Army Corps of Engineers have helped provide technical assistance at a 50-50 cost share to help with mapping of the storm water infrastructure. Ms. Vicari stated there are programs out there that can help defray some of the startup costs.

Attorney Stinnett stated DEP has reacted positively to possible grant funding to assist with some startup but haven't gotten any to this point.

Ms. Vicari added DEP has provided funding for starting up storm water utilities around Lake Erie and the hope is the same type of funding will start trickling down to other communities across Pennsylvania. Another concern is loss of control for elected officials. They don't necessarily want to give up authority of the system to another entity especially if the municipality is going to continue to hold the MS4 permit and be liable to DEP for making sure that the permit requirements are being met. DEP may be willing to transfer the permit to the authority, which some municipalities may choose. As a municipality, Councilmembers have the power to

appoint people to serve on the authority board, but the authority is ultimately an independent body that makes its own decisions. In discussion to a lot of elected officials, Ms. Vicari commented there are concerns about the risk of handing the power of the storm water infrastructure and power of the authority over to someone else. Solutions are available based upon how the authority is set up through the initial document, the articles of incorporation, the bylaws, and the lease agreement established.

Attorney Stinnett pointed out there are three options for an authority. An operating authority, where the authority owns, operates, and finances the system and sets all the rates and charges while the municipality guarantees the debt if required by the lender. A leaseback authority, where the authority owns the system and issue the debt to finance the system while the municipality operates the system, approves the lease agreement with the authority, grants the authority rights-of-way, pledges system revenues and general revenues, and sets all rates and charges. Attorney Stinnett warned Clarion this is probably not legal in Pennsylvania except for home rule boroughs. And the third is reverse leaseback authority where the authority operates the system and sets all rates and tapping fees while the municipality owns the system, executes the lease agreement with the authority and finances the capital improvements. Attorney Stinnett stated essentially the Borough would have the option of an operating or reverse leaseback authority.

Ms. Vicari informed everyone the good news is that hybrid options are available and can be created in order to fit the ultimate goals of the municipality and what Council is looking for as far as the roles and responsibilities of the authority to be. For instance, one of the clients HRG is working with is West Goshen Township in West Chester, Pennsylvania. They are forming a separate standalone storm water authority but wish to continue to own the MS4 permit because they want to be involved in the day-to-day operation of the system. The municipality has the power through various agreements on what functions the Borough and authority will handle. It will all be spelled out. Ms. Vicari stated another concern is the community may be against new fees for storm water. Customers may see it as another tax as opposed to a fee and may not necessarily understand the benefit.

Attorney Stinnett thinks it's important about discussing the possibility of creating an authority at a public meeting, like tonight. Council has already initiated the process of involving the community. Communities that are handling it this way are proceeding with an abundance of caution and will not receive as much backlash as a community that just institutes it without public input. Attorney Stinnett stated they recommend the community to handle it just like Clarion borough did. Moving forward, it is highly recommended to create a stakeholders' advisory committee, which should be in place for a brief period after the authority is up and running to ensure it's working out well. The stakeholders' advisory board is very important to handle complaints and the community involvement is really the key.

Since the storm water authorities are new to Pennsylvania, Ms. Vicari stated one of the reasons it's so important is they are likely to result in inquiries from property owners questioning the benefits that they are receiving for services previously funded with other mechanisms. It's

really important to send a clear message that this authority will reach everyone that is benefitting from the service. These fees will be used for storm water improvements and will not be redirected to other causes. Ms. Vicari pointed out Clarion Borough's taxable property is 30%. This means 30% of the property owners are paying for 100% of the costs of the system. Devising a credit policy to ensure that the rate is not just based on impervious but on the actual level of service the property is using the system is important to point out. The bill will be sent out separate from the taxes, because it is a fee. It's important to call it a clean water management fee or flood reduction pollution control fee as opposed to a negative name. Ms. Vicari commented in the first couple of meetings in working with the stakeholder advisory board, a lot of people will be really concerned about what the fee or impact on the residents will be. Once it gets down to the budget and what it will actually mean to the general residential property, the demeanor of the group changes. Most of the communities in Pennsylvania that have adopted their fees it's in the range of \$3-8 per month.

Attorney Stinnett commented Ms. Vicari and he live in the same municipality and it's about \$13 a quarter for residential users.

Ms. Vicari added the commercial, industrial, and institutional properties are the ones that have more impervious area so their fees may be higher.

Attorney Stinnett stated the handout provided to Councilmembers has additional slides but are more geared towards the second phase after this initial discussion. A copy of this handout is attached to the [Official File Copy](#) of these minutes.

Ms. Vicari stated they are willing to answer any questions he/she may have.

Before opening it up to the public, President Lapinto asked if any Councilmembers had any questions. Several members have already met with Ms. Vicari and Attorney Stinnett.

Mr. Noto inquired if the creation of a storm water authority will be mandated by legislation?

Attorney Stinnett doesn't believe the form of how a municipality handles its storm water will be mandated. However, it will be mandated to handle the MS4, which will get progressively more difficult.

Mr. Noto asked what other options the Borough has other than creating a storm water authority?

As of today, Attorney Stinnett reported Clarion Borough could continue to use General Fund money to pay to upkeep the storm water infrastructure as well as the MS4 compliance.

Mr. Noto verified the Borough can continue to do what has been done to date by paying for these repairs from the General Fund or create an authority. There's no other option?

Ms. Vicari stated no and hasn't seen any interest in water and wastewater public utilities taking on the operation and the maintenance of storm water yet. That may happen in another 10 years. Ms. Vicari agrees with Attorney Stinnett there are only two options out there right now for communities in Pennsylvania.

Attorney Stinnett reminded everyone it took the public utilities awhile to become interested in sewer. Storm water is a different bear that they may not be ready to tackle for quite some time.

Mr. Noto asked how many municipalities in the State of Pennsylvania have gone with this storm water authority?

As mentioned previously, Ms. Vicari stated in 2014 there were 6. There's a number of municipalities HRG is working with right now as well as Salzman Hughes.

Between the two firms, Attorney Stinnett thinks that will be doubled within a year. Legislation just did this 2 years ago so it's very new.

Ms. Vicari feels there are a number of municipalities that wanted to do it but didn't want to be the first ones to do it. In 2016, Ms. Vicari believes a lot more conversations will begin with clients wishing to move ahead.

Attorney Stinnett commented the majority of calls coming into his firm have been receiving the information from DEP and are trying to be pro-active to be ready to avoid any civil penalties and be able to deal with the MS4 better. Because DEP is getting stricter, it's causing municipalities to try to get a plan in place.

President Lapinto stated she will not vote for an authority that takes the power away from Council, which was her first concern.

Attorney Stinnett reported there are a number of ways to structure the authority to be able to continue to utilize Borough employees. It would be a hybrid model. This will be discussed to make sure that the method for Clarion Borough will meet its needs and the communities' needs best.

Ms. Vicari offered to provide Clarion Borough with some of their clients who had the same concerns. This way Councilmembers will be able to discuss it personally with them to see how they've modeled the article of incorporation and establish the lease and management agreement in order to be able to retain the role and responsibility that they want to hold versus what they were willing to give up.

President Lapinto asked anyone wishing to offer questions or comments in the audience to stand and state his/her name for the record.

Ms. Elisabeth Fulmer, 132 South Seventh Avenue, stated she was glad to hear Attorney Stinnett mentioned pervious surfaces, which are also called water permeable, porous surfaces for parking lots and large expansive pavement but questioned if it would be possible then to amend Borough regulations to require new construction to put in this type of surface for a parking lot.

Attorney Stinnett deferred that aspect as to whether the Borough could change their ordinances and regulations to the Borough solicitor.

Ms. Fulmer stressed this is a serious problem that she brought up at the last planning meeting. Ms. Fulmer commented this is a way to get some money from the University, who is tax exempt, to handle some of the infrastructure problem that a small borough like Clarion has. The proliferation of parking lots in the Borough over the last few years is scary. That flat space allows water to run off. If this is one way to do that with a funding stream that will address that problem and deal with that problem, Ms. Fulmer thinks it ought to be considered very carefully.

Dr. Sanders Dédé left at this point (7:55 p.m.).

Instead of changing ordinances, Attorney Stinnett suggested that industrial users that are putting in big parking lots may feel it's worthwhile to put in a rain garden to catch the runoff from their impervious lot, which would reduce the water getting into the system, and receive a credit to offset their fee.

Mr. Ron Wilshire, writer for Explore Clarion, questioned what exactly the MS4 covers and asked if it's just storm water.

Attorney Stinnett stated it covers the municipal separate storm sewer system, which is those pipes separate and apart from the municipality's sanitary sewer, that handle storm water.

Mr. Wilshire asked if Clarion is on the list of people DEP was sending letter out?

Attorney Stinnett isn't sure if it's in this area yet, but DEP has been doing it in the south central part of the state.

Mr. Wilshire inquired if community development block grants can be used to fund storm sewers?

Mr. Noto commented Council has been looking into that but doesn't believe so. The problem is it would be a certain section of the street in one area but not in the other area. To qualify for CDBG funds it would have to be part of an overall plan that's based on the low-to-moderate income ratio.

As a lawyer, Mr. Wilshire asked for verification that he is absolutely positively sure that an entity whether it's taxed, tax free, or Commonwealth property would have to pay this fee?

Attorney Stinnett stated it depends, which is the typical lawyer answer, but believes there's an executive order from the President that federal properties are to pay fees. It should apply down to the state level as well. Attorney Stinnett hasn't heard of any commonwealth property that has been charged a storm water fee that argued that it is not applicable to them and that they were not going to pay.

Mr. Wilshire asked how the assessment of individual properties will be done; in other words, will an individual be visiting each house or done by GIS maps?

Ms. Vicari stated it could be done by serving each property but generally it's done by aerial photography and completing digitizing of the actual impervious area on a property. Sometimes residential properties are put in different tiers and charged a flat rate based upon the tier they fit in. Whereas for non-residential properties communities may be more apt to go and individually digitize the impervious area on the non-residential property and charge a fee that's more specific to the actual use.

Moving forward, Attorney Stinnett commented this should be part of the land development plan process for the municipality. For instance, in his neighborhood, when a person completes a building permit, he/she must list the amount of impervious surface of the lot. Attorney Stinnett thinks initially it will be using GIS data and then moving forward using building permit application data.

Mr. Noto asked if any other municipality with a university residing in it has moved forward with creating an authority? If so, the Borough could see how it has worked for them.

Ms. Vicari mentioned West Goshen Township is in the process of assessing a storm water fee to West Chester University. State College Borough is moving forward with a feasibility study to evaluate the overall benefits of using an authority. However, State College's storm water facilities' discharges into the facilities that are owned by the University. So, it's a different kind of scenario.

Mr. Noto thinks it would be a good idea for the Borough to contact one of the municipalities to discuss the municipality and university worked together.

Ms. Roberts questioned how much the Borough would have to pay forward to create an authority and how long it would be to begin collection of the fees to pay the Borough back for doing so?

Ms. Vicari stated it's dependent upon what data has already been assembled by the Borough, how much you can get from the County through GIS information, and land development plans that may be on file at the Borough. If the type of impervious area information is available, it will help out a lot and reduce the costs.

Attorney Stinnett reported that is the largest cost to the creation of the authority and is the most important aspect of the project. Because when an authority sets a fee, the courts review it under a standard and ensure the fee is uniform and reasonable. An actual court case states if you have a cost of service study that's the best evidence you can have to demonstrate that your fee is uniform and reasonable. Attorney Stinnett stated his firm likes to see the fees calculated for legality purposes on how much money you need to provide the service and then the municipality allocate that amongst the users based on what level of service the resident has. In order to do that, the municipality has to know how much impervious because that directly correlates to what type of service he/she is going to be provided. So, that question is very difficult to answer as far as the cost to get the authority up and running. It just depends on how much information is available and will need researched and who will be able to provide it. However, that is 80% of the cost that's up in the air until that information and data availability is determined.

Ms. Vicari informed Council the general fee range for the communities that they are working with right now is between \$55,000-85,000.

President Lapinto added the interest on the \$1 million CD, which is approximately \$80,000, could be used to cover these initial costs. General Fund cannot fund it.

Mr. Noto pointed out the Borough has spent \$92,000 so far this year on storm sewer work. That's for 6 projects.

Secretary Hall commented that was for approximately 500 feet of storm work projects.

Ms. Roberts asked how long it would take to get an authority up and running for the Borough's size?

Ms. Vicari reported the quickest the Borough would want to do it would be a year. Again, a lot depends on what type of information exists already. The stakeholder advisory committee portion alone would be about a 6-month process. Once you go through the process and get the billing data base ready to go would add another 2-3 months.

Mr. Bob Balough, South Seventh Avenue, commented the public may questions like why do they have to pay a user fee for storm water runoff for his/her property when he/she had paid taxes through property taxes before that were used for it and are his/her taxes going to go down as well as if the authority leases the physical sewer lines, he/she may react negatively because he/she paid to have those lines laid and now he/she has to pay the authority again. Mr. Balough doesn't think the Borough's going to be able to sell it to a private company, like the water company, because they can't make the rain stop. The only other option is to continue to use tax dollars. If the Borough create an authority, then it should stay as an authority and they should be responsible for collecting the fee and delinquency of any payments, which the Solicitor may be able to help figure out.

Attorney Stinnett stated he can discuss that with the Borough Solicitor but there is a way to get the residents to pay for any delinquent fees. The authority can shut off the water for unpaid storm sewer bills under the Authorities Act. About 50 percent of the municipalities his firm works with go that way and the other handle it with other options.

Mr. Balough thinks it would be better if Council gets the public to realize it's for his/her benefit. Instead of paying \$120 for taxes, it will be going to the authority to handle these repairs. It will be for every property owner in the Borough not just the ones that pay taxes.

In order for an authority to be able to charge for storm water fees, Ms. Vicari commented the authority needs to either own or lease the asset. The Borough will have to decide which way to handle that aspect. As far as whether the taxes will stay the same, it's important to realize the General Funds revenue will be redirected to address the needs of the municipality rather than putting those needs off to cover an emergency repair. There are a lot of different decisions that Borough will have to make that will be ironed out going through the process.

Mr. Rich Herman, 104 Still Drive, questioned what Attorney Stinnett or Ms. Vicari see in the way of additional legislation either to help aid the formation of an authority of help it operate better? If a lot of complaints start going to legislation, is this something that may occur?

Ms. Vicari thinks there will be more action in the future.

Mr. Herman isn't sure if it's advantageous to jump in early when additional legislation changes may become available and save the Borough in the long run.

As far as the legislation fixing various codes, Attorney Stinnett stated it took 5 years to get the amendment to the authorities act and another 2 years to settle a comma. It may be another 8 years before the Borough Code gets amended to allow this. Attorney Stinnett personally feels it's pretty far out and up in the air.

Mr. Herman asked what does the Borough do with a resident that doesn't have storm water that comes off their property and go into a line?

Ms. Vicari stated that's a good question and the resident might not have storm water leaving his/her property but he/she may be using Borough streets to commute to where he/she works and their expectation is to be able to travel their roads and safely.

Attorney Stinnett recommends rather than listing it as a storm water fee it be called a flood reduction fee because that is what the Borough is trying to accomplish. A lot of how this is marketed to the public will mean how the public reacts to it as well.

Mr. Balough believes it will be an educational process for all property owners in the Borough.

President Lapinto stated a couple more questions will be taken and then Council must move on to the rest of the agenda.

Mr. Jack Paulden, South Fifth Avenue, understand according to Martha Brown, Office of Chief Council of Department of State, there's no oversight on these authorities and questioned if that's true?

Attorney Stinnett reported there's a great deal of oversight. The authority will still have to submit the yearly audit to the State for review. If they feel the rates are too high, then it can be challenges to the Court of Common Pleas. If there is a misuse of authority funds, then the individual who misused the funds will be held accountable. There is a case of action on this right now.

Mr. Paulden asked how much has been paid to fix storm water discharge within the last 5 years?

President Lapinto repeated \$92,000 was spent just this year to repair 400-500' of lines.

Mr. Colosimo added it's not just lines but boxes that collapsed.

Secretary Hall reported an amount can't really be given over the last 5 years because the galvanized and terra cotta pipe is just all starting to fail and collapse. The fear is this is just the beginning and an action plan needs in place to address them as they do.

President Lapinto believes \$10 million was mentioned at a previous meeting as to what the repairs will be over the next 10 years but feels that is high.

Mr. Paulden asked Ms. Vicari what the average cost for linear foot to put in storm drains if they are already there if it needs taken out in order to repair.

Ms. Vicari stated it really depends on the individual situation. It could easily be \$100/liner foot.

Mr. Paulden inquired the amount of linear foot of storm drains in the Borough?

President Lapinto doesn't know what the total Borough wide would be.

Mr. Noto informed everyone some information is available and some is not. Sometimes when changes were made in the past, it's been documented but some have not. That's the first thing the Borough would have to figure out.

Ms. Vicari reported the Army Corps of Engineers has been assisting to conduct a condition assessment of the system to direct the authority funds to the most high priority improvements. However, because it's a 50-50 cost share program, they don't get contacted until some initial funding has been received.

Ms. Janice Horn, 32 Barber Street, commented trees absorb a lot of water and questioned if that will be taken into consideration on determining how much a property owner will be assessed?

Of the storm water authorities that have been established in Pennsylvania, Ms. Vicari doesn't think any of them necessarily looked at the number of trees on a property-to-property basis. That's something the municipality or the authority will have to consider when establishing the credit policy. The stakeholder advisory committee could discuss and get feedback from the residents on his/her thoughts on that. As part of overall improvements to minimize storm water, Ms. Vicari feels an it would be necessary to do community-wide tree plantings or encourage more rain gardens/tree canopy spaces to minimum some water. That is definitely something to further consider.

President Lapinto thanked Attorney Stinnett and Ms. Vicari for the presentation.

If anyone is interested in reading more on the storm water authority, Ms. Vicari pointed out there is a link on the handout for additional articles.

President Lapinto called for a short break, beginning at 8:20 p.m. President Lapinto called the meeting back to order at 8:31 p.m.

ADMINISTRATION

President Lapinto commented next is the presentation of the 2016 Budget. The millage will remain the same at 22; however, Council will reallocate the 1 mill for the fire company and the ½ mill from the library to the General Fund. Due to several revenue shortfalls, Council could not reduce the budget 1½ mills. President Lapinto explained the Borough's State and Meter Fine is down \$20,000, District Justice Fines is down \$10,000, and the Parking Meter Revenue is down by \$8,000, which could have been offset by an increase in Parking Permits. The parking meter revenue is down due to empty lots that people are using to park. The Emergency Services Tax is down by \$20,000 and Wage Tax is down by \$54,000. All that revenue adds up. Five properties were re-assessed by the Assessment Board, which resulted in the Borough losing \$9,000. Regarding the expenditures, President Lapinto reported storm sewers and the fire hall were big unknowns. If everyone recalls, the 2015 budget included a 1 mill increase, or \$38,000, for the Fire Equipment Fund to pay for the fire hall renovation project. Unfortunately, the project came in at \$62,843. This meant the Borough lacked \$24,000. Secretary Hall sent letters out to a lot of area businesses. President Lapinto informed everyone the Borough received \$5,000 from Clarion Laminates (Clarion Boards), Clarion Township, and Monroe Township each and \$1,000 donation from the University Students' Association. The Borough still had a deficit of \$8,000. President Lapinto thinks the businesses by the interstate, mainly the hospital and all the hotels, really need fire service but yet none of them helped fund the project.

Secretary Hall agreed letters were sent to them and the aerial ladder would have to be used at those structures.

President Lapinto asked Mr. Noto to give a report on storm sewers and Public Works.

Mr. Noto reported the Borough had several storm sewer collapses in the last several years. Due to the age of the system and as it continues to get older, the Borough expects more and more failures more frequently resulting in the Borough spending more and more money. As stated earlier, \$92,000 has been spent so far this year. This is one of the main reasons Council is considering a storm water authority. From tonight's presentation, Mr. Noto didn't hear anything that changed his mind any differently. As far as Public Works, the only major purchase is for a front-end loader at the cost of \$90,500. The current front-end loader barely runs at this point; it only goes about 3 mph at best, and is experiencing troubling lifting things up, which is the whole idea. Mr. Noto stated the Borough just had it repaired again but it seems as though the hydraulics are worn out. At this point, the loader has a trade-in value of \$16-17,000, which is surprising. That's the only capital expense for 2016.

President Lapinto asked Mr. Aaron to discuss Public Safety.

Mr. Aaron stated the only capital expenditure for 2016 is a new police vehicle. Last year, Council held off for financial reasons. However, the one police vehicle is wearing out.

Chief Hall agreed and pointed out the mileage is up and the repair costs are increasing significantly.

Mr. Aaron reported \$35,000 is budgeted for the purchase and that does not include the trade-in for the one the Borough will be replacing.

President Lapinto commented Dr. Sanders Dédé had to leave, but there is no change in the Housing and Zoning Budget and asked Ms. Roberts to go over Recreation.

Ms. Roberts reported the numbers are pretty much the same as last year's. The YMCA will still manage the pool for the Borough.

President Lapinto asked if anyone had any questions?

In terms of wage increases, Mr. Ron Wilshire, exploreClarion.com, asked if there is a certain percentage?

Secretary Hall reported the Collective Bargaining Agreements for the Police Department calls for a 5% increase for 2016 and for the Public Works employees it's a 1.6% increase. The Administrative is figured with a 3% increase.

Mr. Noto added the associated costs for benefits are naturally built into the budget.

Secretary Hall agreed. Healthcare this year only increased by 3.9%; however, in the last couple years, it has been known to go up 25%. Pension contributions are based on a percentage of wages.

On a motion by Mr. Noto with a second by Mr. Bartley, giving permission to advertise the proposed 2016 budget for a total of 22 mills, with 1½ mills being reallocated to the General Fund, was carried with a vote of four yea with Mr. Aaron voting no.

Having no other Committee reports, President Lapinto asked for a motion to adjourn.

On a motion by Mr. Bartley with a second by Mr. Noto, the meeting was adjourned at 8:40 p.m.

Mark E. Hall, Borough Secretary