

CITY COUNCIL
Sunbury PA 17801
April 25, 2011
6:15 pm

A regularly scheduled meeting of the Council of the City of Sunbury was called to order with the Honorable David L. Persing, Mayor, presiding. There was a quorum with the following in attendance:

David L. Persing, Mayor
Todd E. Snyder, Director of Accounts and Finance
Joseph J. Bartello, III, Director of Public Safety
Kevin E. Troup, Director of Public Works
James R. Eister, Director of Parks/Recreation and Public Buildings

Other City officials in attendance:

Elizabeth Kremer, City Treasurer
Lisa Martina, City Controller
Stephen Mazzeo, Police Chief
Joseph Swope, Code Officer
Terry Specht, City Clerk

There were twenty-eight (28) visitors present.

PUBLIC HEARING/FINAL 2011 CDBG SELECTION

Jamie Shrawder said it may be a little confusing to vote on projects because allocations for 2011 CDBG funds have not been announced yet, but it can be done on a formula which will be allotted when the funding amount is certain. The estimated amount is \$381,700 (from last year's allocation). This will probably be reduced by at least 18%. Ms. Shrawder reviewed the projects for selection which included: Riverfront Project - \$155,000 to finish engineering and labor standards enforcement. Demolition of condemned properties – this activity will continue. 30% of funds can be allocated to the elimination of slum and blight which should be about \$93,800. Façade program – this is a new project for 2011. Any funds left will go to the façade program. This project is just beginning and the funds put into the project will be to start it. There is a lot of development that must go into the project before funds can be allotted. It will probably take a year before any façade funding is available. Councilman Bartello asked if the \$64,000 from 2011 funding would be used this year because that amount will not go far. Ms. Shrawder said no there is not a lot of funding being used on the team building portion of the plan. Administration - \$58,706 will go to SEDA-COG to administer the grant. This is based on last year's allocation and will be changed when the final funding amount is known. Councilman Bartello asked how many demolition projects could be completed with the \$93,800 and Ms. Shrawder said that would probably be 4 properties. Just over \$100,000 was spent last year. He asked if demo projects had to be done every year and Councilman Eister answered if there were more funds available the City would be doing more of it. There are many blight properties that have just been let go that are beyond repair. N 4th St. park site development drawings – approximately \$10,000 will be designated for this planning activity. It is necessary if the City wants to apply with DCNR for recreation grants. Mayor Persing said at the national level there could be a 60% cutback in the program funding. There will probably not be a lot left in the façade program funding. Entitlement communities cannot continue the work done with CDBG funding if that program goes away. Councilman Bartello asked if he was the only one that thinks demolition is not necessary and it should be skipped this year. He recommended putting that funding toward the façade program. Councilman Eister said it took a few years to get this program structured so why would they waste a year? Ms. Shrawder said there are a lot of regulations that need to be followed when using CDBG funding. Ms. Shrawder said the Redevelopment Authority will manage the demolition process. Councilman Bartello asked if the Redevelopment Authority would administer the façade program and Ms. Shrawder said she didn't know - that was part of the planning process. This project isn't even off the ground yet. Next year the Riverfront Project will be finished so that large chunk of funding can be used for other projects. Mr. Brad Niemiec asked how long it would take once the funding has been approved and Ms. Shrawder said first the team has to be put together to work on it – that might be the Redevelopment Authority and it will include people from the community. They will have to decide if grants will be given, loans or match 50/50. The environmental review must be completed. That alone takes several months. The historical issues may also take some time. She predicted the funding will be available by the end of 2011. By the summer of 2012 the program might be ready. Mr. Niemiec said he wants to see the project start now and Ms. Shrawder said everyone that submits a project wants it to start right away. It is just not possible. The funding won't even arrive until toward the end of 2011. A procurement process must be gone through so any work, such as architectural, cannot be reimbursed from the program if it was started prior to the program starting. Councilman Bartello said he feels the money is being wasted on demolition because the private sector could do it cheaper. Ms. Shrawder said the private sector could purchase the property but how long does council want to wait for the work to be completed? Mayor Persing said the goal of the

Redevelopment Authority is to continue the program and as money comes in they will continue to purchase more. Councilman Snyder said it sounds like there is a renewed interest in the façade program. In the past, property owners did not want to take advantage to it. If the number of property owners that are interested in the program make it known, it would help council to take a look at how much is needed in the program in the next year. He said council would need to know how many property owners are interested and what their financial commitment would be. Ms. Meghan Beck said she spoke to 33 business managers and owners in the downtown and has that information to give to council. 23 properties were interested in the program and would pledge funds to the project. Councilman Snyder suggested a merchants group that would help to make the decision where the funding should be used. Mayor Persing moved to approve the Resolution to submit the 2011 CDBG application to DCED to include the projects as described above. Second – Eister. No – Bartello. Yes – Troup, Eister, Persing, Snyder. Motion carried. If the projects would change, a public hearing would have to take place before any changes in programming are made.

Ms. Shrawder said the new MBE/WBE (Minority Business and Women Business) and Section 3 plans have to be adopted. A compliance officer has been hired by SEDA-COG to follow through with this. Ms. Shrawder said the federal regulations requiring the City to promote minority and women businesses, anything over \$25,000 must have MBE/WBE solicitation in it, there are specific definition of minority business and women owned business. The goals are the participation of a minority owned business are 5% and women owned business is 3%, you can only be one or the other, not both. There is a list of minority and women owned businesses that are sent out when each project is let. Section 3 is employment opportunities directed to low and very low income persons and businesses. The goal is 30% of new hires or 10% of the total project construction costs. If the goal is already met by a contractor bidding a project, they can get preference. Section 3 does not apply if the contractor is not hiring for that particular job. That seldom happens with CDBG projects. Mayor Persing moved to adopt the Plan as presented. Second – Eister. Unanimous vote.

REVOLVING LOAN FUNDING STREAM/SUBRECIPIENT AGREEMENT

Mr. Bill Seigel talked about a funding stream for the Redevelopment Authority to use for demolition projects. There are 2 ongoing programs associated with housing that the City participated in. They are both funded by HUD. They are the housing revolving loan fund with a balance being repaid at various rates and times and has a balance of approximately \$35,000. The first time home buyers program was a \$500,000 loan program that has all been paid out. There are funds being paid back to this program and they are to be rolled back into the housing revolving loan fund to recapitalize that program. \$600,000 has been loaned out and is being paid back. That money could be a continual source of revenue for the Redevelopment Authority to acquire and demolish blight properties. The proposal at this time is to earmark 90% of all future proceeds of both funds for use by the Redevelopment Authority for housing acquisition, demolition or rehabilitation. 10% will be set aside for the administration of the funds. The City will not be paid back the full \$600,000 because there was different criteria used in granting the money and some of it was forgiven if certain conditions were met. On an annual basis the City would advise the Authority on the balance of the fund. At times, the Authority could earmark the funds for specific eligible activities for approval by city council – it could be used for other eligible activities earmarked in the Subrecipient Agreement. Program income has been put into other projects and the \$35,000 is what is left in the fund. The idea is to provide the Redevelopment Authority with some funding to leverage to bring income back into the program. The fund is federal HUD money and must be used in certain ways only. Councilman Bartello asked if there was a way to find out how much is owed to the fund in paybacks? Ms. Shrawder said Ms. Delsite in the city clerk's office will know. The Agreement is a boiler-plate Agreement used in many different municipalities. Ms. Shrawder would also be involved to make sure the funds are spent on the proper projects as required by HUD. Mayor Persing wanted to make it clear that the Redevelopment Authority was not resurrected just to tear properties down. They are turning properties over, creating building lots and creating lots for new homes. Councilman Snyder asked if this could be tabled so council members have a chance to read the Subrecipient Agreement. It will be tabled until May 9th.

HOME PROGRAM/LEAD BASED PAINT

Mayor Persing received correspondence from Mr. Tim Brickley of SEDA-COG regarding lead-based paint funding. Currently, \$25,000 can be used for rehab of owner occupied properties for general code related repairs and another \$10,000 can be used for remediation of lead-based paint issues. A decision has to be made if council wants all applicants to receive \$35,000 whether lead based paint is an issue or not. Mayor Persing moved to allow up to \$35,000 whether there is lead-based paint issues or not. Second – Eister. Unanimous vote.

COMPREHENSIVE PLAN UPDATE

Mr. Tom Grbenick provided an update regarding the Comprehensive Plan and background on the Lake Augusta study (see attached). Mr. Grbenick said the economic development work will begin with 3 meetings of key stakeholders beginning on May 10th. Councilman Snyder asked who would be in the

work group. He said he has ideas but the City should decide and these people need to be grounded in economic development, business leaders, real estate and real estate development. Councilman Snyder said there has been a lot of media coverage regarding the City plan. He was under the impression that Charlie Ross from the Greater Susquehanna Valley Chamber of Commerce and an associate of his would be involved in the economic development portion of the plan. SEDA-COG originally said they did not have the level of expertise in-house that would meet the requirements of the City's plan. Mr. Grbenick said the contract for the Plan has specific requirements and they will be met with the assistance of the work group. Councilman Snyder asked if the citizens being pulled together and with the assistance of SEDA-COG staff, would that be enough? Mr. Grbenick said he is sorry for the confusion but he has been trying to build a higher level of economic analysis that was important to the broader understanding of the plan's development concepts. The extra funding was not raised through various sources that Mr. Grbenick tried to raise the fund from. Representatives of Bucknell University – at the faculty level and department level and higher are interested in assisting the City over a period of time with economic analysis relating to the plan. The timing is linked to the next academic year, beginning in the fall. Mr. Grbenick met with these individuals to set specific direction. Bucknell has indicated that there is growing interest in this portion of Sunbury's plan at no additional cost to the City. Councilman Snyder said he appreciates Mr. Grbenick looking at other options. He feels some of the confusion started when Mr. Grbenick provided information and dropped names of those who he thought would be involved. Mr. Grbenick said that grew to double the costs estimated for this portion of the plan. Councilman Snyder said that was never brought to council's attention and had they known council may have been able to see if those particular people would stay involved. Councilman Troup said council should have been told. Mr. Grbenick said he it had been discussed at at least one council meeting and the mayor agreed. Councilman Snyder said he asked specifically about retaining the 2 individuals originally discussed and the answer was yes, they would be retained. Mr. Grbenick stated again that the costs doubled and they could not find any other means of funding to cover the cost. Mayor Persing introduced Kim Wheeler from DCED who said DCED will be reviewing the plan to make sure all criteria in the Agreement are met. Councilman Eister said as he understands, the scope of work did not change, the funding for it did. He asked if going through Bucknell for this portion of the plan, would yield the same quality as what council expects. Mr. Grbenick said he thought it would be a superior result. Mayor Persing finalized the discussion saying council wants to make sure that the City will be receiving everything agreed upon in the Agreement and when it is complete it will be a document council can work with. Ms. Wheeler said there is an opportunity for many groups to review the plan. The Steering Committee must be able to look at the contract and the finished plan to make sure it is what was agreed upon. It is important to note that Plans can be done quickly with just the basics but DCED is trying to encourage public involvement and to come up with alternative scenarios to set a foundation and footing for future things to happen to leverage opportunities for the City. Nothing will be adopted until the plan is satisfactory with council.

CAREERLINK/CPWDC

Ms. Shannon Miller, Executive Director of Central PA Workforce Development Corporation, explained that this past year they suffered a \$1 million decrease in funding specific to the operation that deals with CareerLink facilities. A committee was formed to guide them in looking at ways to deal with the funding loss. They realized reduced costs in their offices in State College and Williamsport (this facility will be moving also). Consolidation of 2 CareerLink locations, one in Shamokin and one in Selinsgrove was necessary to reduce costs. They wanted the facility centrally located in the 3 county area of Northumberland, Snyder and Union counties and within a 30 minute drive-time for the greatest amount of people. An RFP was let in January 2011 for a location within 1 mile of the City of Sunbury. 3 bids were received, one being the current site in Shamokin which did not meet the RFP requirement of within 1 mile of Sunbury. Several realtors and companies were contacted in the area where they thought properties might be available. Part of the problem was that the Shamokin facility lease was up at the end of June 2011 and the Selinsgrove facility lease is up in December 2011. There is very little money to do any type of retrofitting for a facility. Ample parking was also very important. Ms. Miller contacted the mayor and he told her of some properties that he thought might be available in Sunbury. They discussed privately owned properties as well as public properties. After the bids were opened, a negotiation period started until a final decision is made. Councilman Bartello said he thought it was a bid process and Ms. Miller said it is not called a bid, it is a Request for Proposal (RFP) and 3 people bid it. He asked where the \$6.50/sq.ft. came from – Mayor Persing explained that the real estate people he checked with said leases per sq. ft. in Sunbury were any where from \$4 to \$6. The Selinsgrove Career Link location was around \$14 sq. ft. and the Shamokin site was \$11 or \$12. As the costs were put together it was clear the City could make some money at \$6.50 sq. ft. – more specifically, after the 1st year at least 1 mil of taxes would be realized from the lease. The City will have to maintain the facility which is included in the lease amount. Councilman Bartello said he saw \$7.50 to \$12.00 sq. ft. for office space lease. Mayor Persing said he meets with Mr. Bowen at the SIDCO board meetings every month and what they discussed was a high of \$6 including utilities. Councilman Bartello asked if the City would end up with \$41,000 after expenses and give away ¾ of the building and he said he does not agree with that. Mayor Persing explained after the 1st year it will be approximately \$60,000. Councilman Eister asked Ms. Miller where the other 2 proposals were from and Ms. Miller answered that she cannot talk about that until an agreement is in place but one of the places was in Shamokin

which did not meet the RFP requirements. Councilman Bartello said he read that they were able to back out if they receive a cut in funding. Ms. Miller said they tried to look at where the regional hubs would be located if a substantial amount of funding is lost. Sunbury, Williamsport and Lewistown are the key sites which would remain open until they ran out of funding. At this time there are 7 CareerLink locations. Mayor Persing stated that the minimum in the bid was 15,000 sq ft and 100 parking spaces and be available by the end of June 2011. There are very few places in Sunbury that could accommodate that. The taxes saved will help with future budgets. Councilman Snyder mentioned that there are 2 meetings scheduled in May to help find new and creative ways to raise revenues for the City. This is one of those ways. The increased traffic flow in the City will help the area businesses. Councilman Troup agreed saying times are changing and new avenues have to be looked at to raise revenues. He went to Shamokin CareerLink looking for employment and he said he bought gas and groceries in Shamokin while he was there. Councilman Bartello asked for this topic to be tabled until the next meeting. Mayor Persing asked Councilman Bartello what wanted to know that is in the Agreement and he would explain it. Councilman Bartello said he wants to read it. Councilman Snyder asked if the lease agreement includes all the necessary language as in every other lease and if it meets those standards he is willing to move ahead. Councilman Eister said Councilman Bartello is asking for information that cannot be given out until an agreement is reached due to a confidentiality clause. Mayor Persing moved to enter into an agreement with CareerLink. Second – Eister. Yes – Persing, Snyder, Troup, Eister. No – Bartello. Motion carried.

2nd READING/BATH SALTS/SYNTHETIC DRUGS

Mayor Persing moved to pass on a second reading prohibiting bath salts and synthetic cannabis with no changes from the 1st reading (see attached). Second – Troup. Unanimous vote.

ASSIGNMENT TO TRANSFER AGREEMENT/LEGAL SERVICES

Mayor Persing moved to transfer the legal services for the Sunbury Redevelopment Authority to Apfelbaum Law Offices. Second – Eister. Unanimous vote. The Redevelopment Authority meets on the 1st Wednesday of the month.

PROPOSED ZONING CHANGE

Mayor Persing moved to change the zoning on Front St. from Race St. to Church St. into Central Business. This will tie that area into the downtown area. It will allow for shops, boutiques, etc. to open in that area to complement both the new Riverfront area and the downtown. At this time, there are 2 businesses waiting to open if the zoning changes. Councilman Eister said council should look at the zoning from Market St north on N. 4th St. since more and more businesses are opening in that area. Second – Eister. Unanimous vote.

VOUCHERS PAYABLE REPORT

Councilman Snyder moved to pay the vouchers payable in the amount of \$132,659.52 from the general fund and liquid fuels fund as funds are available. Second – Eister. Unanimous vote.

HARB

Councilman Bartello moved to approve HARB's recommendation for 330 Arch St. to increase the pitch of the small roof in the front of the house that is leaking. It will probably not be noticed from the street. Second – Eister. Unanimous vote.

DISCUSSION

Councilman Snyder said the City has a lot of different email addresses and web domains. He would like to establish one City domain used for the City website and with that, appropriate emails for City employees and council members. He would like to have a plan put together to accomplish this.

Mayor Persing announced that a committee was put together to discuss the 1st phase of the camera project. This phase will use the \$12,000 from the JAG grant received by the police department. The initial cameras will be mounted at city hall, the police department and Cameron Park.

Mayor Persing stated that the City is involved in a contract with Coca Cola until 2013 for all the recreation facilities. At this time, the service to the City has been almost non-existent. Pepsi has made an offer to do things for the City.

AUDIENCE COMMENT

Mr. George Waltrick asked how to go about changing the speed limit on a street. He is concerned about speeding on PA Ave. from N. 4th St to the railroad station and cuts across to Arch St. He has

observed vehicles speeding and the street is very narrow. There are 17 children that live in that block. Mayor Persing said he didn't think it was a matter of changing the speed limit but a matter of enforcing it. The area is so narrow he doesn't see how that would be possible. Councilman Troup said he and Mr. Bordner would check that area out as soon as possible. There are no speed limit signs in that area. Mayor Persing asked if it was a local person and Mr. Waltrick said no, it is mostly people going into Kane's Tavern or avoiding the traffic light on Arch St.

ANNOUNCEMENTS

Financial planning meetings are scheduled for May 2nd and May 16th at 7:00 pm and are open to the public.

There being no further business the meeting was adjourned at 7:58 pm.

Respectfully submitted,

Terry Specht
City Clerk