

The regular meeting of Doylestown Borough Council commenced in Council Chambers, with the following members present: Council President Jack O'Brien, Vice President Noni West, and Council Members Ben Bell, Don Berk, Tim Brennan, Joe Flood, Joe Frederick, Sue Gordon, and Wendy Margolis. Also present were Mayor Ron Strouse, Borough Solicitor Jordan Yeager, Borough Engineer Jim Dougherty, Borough Manager John Davis, Central Bucks Regional Police Department Police Chief Karl Knott, Planning/Public Works Director/Deputy Borough Manager Phil Ehlinger, Water Director Chris Norris, and Finance Director Caroline Brinker. Junior Councilperson Josie Hall and Director of Building & Zoning Karyn Hyland were absent.

PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATIONS

1. **Proclamation Honoring Doylestown Fire Company and National Fire Prevention Week.** Larry Browne from the Doylestown Fire Company joined Mayor Strouse on the floor. The Mayor said that all of October is National Fire Prevention Month, which is a time when fire departments across the nation join forces to spread the word about fire safety. He said this also provides the focus to honor the work of our Doylestown Fire Company, as well as renew our commitment and knowhow in preventing fires and saving lives. He said Doylestown Fire Company and its dedicated volunteers continue to provide an uncommon level of safety in our community, and the members are committed to training as well as the maintenance of equipment. Mayor Strouse added that, "Doylestown Fire Company is a core element in our community that holds us together" and it extends not just from preventing fires and fire safety, fighting fires, and providing safety in our community in a variety of ways, but to putting up the Christmas tree and escorting the Santa parade. Mayor Strouse called upon those who live in and visit our community to thank the Doylestown Fire Company and to renew their efforts to prevent fires and their tragic consequences

2. **Proclamation Honoring the Volunteer Efforts That Make the Doylestown Pop-up Park(ing) Project a Reality.** Baldev Lamba, Judith Stratton, Jennifer Jarrett, and Cassie Galster joined Mayor Strouse on the floor.

Mayor Strouse stated that this annual project identifies a space and turns it into a more friendly space where residents can laugh, have fun, and enjoy the company of each other for a very short period in a green, yet urban setting. He said the pop-up PARK(ing) project is an important way of testing out ideas and thinking about public spaces in and increasing urbanized environment. The Mayor said the pop-up PARK(ing) project brings credit to our community and enjoyment to those who experience it.

Mayor Strouse called upon all the residents to show their appreciation for this project and express their thanks to the volunteers, patrons, and supporters that make it happen. He also encouraged residents and visitors alike to enjoy this creative addition to Downtown Doylestown for the short while it is here.

APPROVAL OF MINUTES

Mr. O'Brien called for a motion to approve the **August 20, 2018 Council Meeting minutes**. (Margolis-Berk) The vote was called and the minutes were unanimously approved.

MAYOR'S REPORT: No report.

PUBLIC SAFETY - Ms. Gordon

1. **Consideration of First Draft Central Bucks Regional Police Department 2019 Budget.** Ms. Gordon stated that the budget, as adopted by the Central Bucks Regional Police Commission, was transmitted to the Borough by September 1, in accordance with the terms of the Intermunicipal Agreement. She said that the budget is still a work in progress, relying on multiple assumptions particularly with regard to health insurance and workers' compensation premiums. Ms. Gordon said that as such, the Public Safety Committee is recommending that Borough Council reject the First Draft Budget, an action that is anticipated by the Police Commission. She said that if Council wished to follow the recommendation, it could do so by motion. (Gordon-Flood) With no comments from Council, Staff, or the public, the vote was called. All were in favor and the motion passed unanimously.

2. **Doylestown Fire Co. No. 1 Report**, which indicated that there were 23 incidents requiring their response in August.

PUBLIC WORKS AND ADMINISTRATION - Mr. Frederick

1. **2018-2019 Rock Salt Bids.** Mr. Frederick said that on August 27, bids were opened and publicly read for the purchase of rock salt for the 2018-2019 season. [A tabulation was provided.] He said that last year's low bid was \$48.82 per ton delivered and \$48 per ton undelivered. Mr. Frederick said that if Council wished to award the bid to the low bidder, it could do so by making a motion to award the bid to Morton Salt, Inc. at a price of \$47.92 per ton delivered, conditioned upon receipt of a properly executed performance bond and compliance with the bid specifications. (Margolis-West) With no comments from Council, Staff, or the public, the vote was called. All were in favor and the motion passed unanimously.

2. **Public Works Monthly Report.** Mr. Frederick called upon Mr. Ehlinger for this report, who stated that the monthly Work Order Report and the Fleet Services Report were provided.

Mr. Ehlinger said that as a public notice, the Borough's annual leaf collection begins October 15 in Area 1, which is the first of two collections. He said Area 2 will begin on October 22.

COMMUNITY AND GOVERNMENTAL AFFAIRS - Mr. Berk

1. **PRIDE Month Working Group.** Mr. Berk reported that the Community and Governmental Affairs Committee is recommending that Borough Council establish a working group to plan and execute a PRIDE Month program for the Borough beginning in 2019. He said that PRIDE Month, held during June each year, is a global celebration of LGBT contributions and achievements. [An outline of the proposed working group and its activities was provided.] Mr. Berk said that if Council wished to follow the recommendation of the Committee, it could do so by motion to approve the creation of the working group and the attached plan. (Berk-Brennan)

Mr. O'Brien asked if this working group would be in existence into perpetuity. Mr. Berk responded that we need to see how it goes, but right now they're really focusing on this June and doing something splendid.

Ms. Margolis asked if this could be changed to "LGBTQ". Mr. Berk said that in keeping with precedence, it should be changed to "LGBTQA" which is what our anti-discrimination ordinance is titled. Motion to modify. (Berk-Brennan) With no further comments from Council, Staff, or the public, the vote was called. All were in favor and the motion passed unanimously.

2. Resolution No. 2018-11, Opposing the Separation of Immigrant Children From Their Families. Mr. Berk reported that the Community and Governmental Affairs Committee is recommending that Council adopt Resolution 2018-11, which he read in its entirety. The resolution called for the Borough to join with business, labor, religious, community and civic groups in calling for an end to the humanitarian crisis at the U.S.-Mexico border, including the forced separation of children from their families; that the Borough call upon the U.S. Congress and the Administration to commit to good faith negotiations to achieve immigration reform that honors due process, preserves the value of family reunification, adheres to international human rights principles, and acknowledges the root causes compelling immigration; that Council strongly oppose any policy that results in the separation of children from their families or that results in their prolonged detention, via border enforcement, interior enforcement, or travel restrictions based on religion, race, ethnicity, or country of origin; and, that Council call upon Governor Wolf and the Commonwealth of Pennsylvania to ensure that no state resources are used in any way to support or facilitate the separation of families.

Mr. Berk said that if Council wished to follow the recommendation, it could do so by motion. (Berk-Margolis) With no comments from Council, Staff, or the public, the vote was called. All were in favor and the motion passed unanimously.

ZONING AND PLANNING - Mr. Brennan

1. Application for Final Subdivision and Land Development Approval, County Builders, Inc., 252, 258, 260 W. Ashland Street. Mr. Brennan stated that County Builders, Inc., owner of the subject property, comprised of three parcels totaling 43,432 square feet, and located in the Central Commercial Zoning District, has demolished the existing buildings at the southwest end of Ashland Street and is proposing to construct 10 townhomes. The project received a special exception from the Zoning Hearing Board for the proposed use.

Mr. Brennan said the Zoning & Planning Committee reviewed the application on September 11, 2018 and recommended preliminary and final approval of the application conditional on the following: (1) that the applicant resolve all outstanding issues in the Borough Engineer's, Borough Water Engineer's, Bucks County Planning Commission's, Bucks County Conservation District's, Shade Tree Commission's, Director of Water's, and Fire Marshal's review letters to the satisfaction of Staff; (2) that the applicant attempt to relocate proposed utility connections to accommodate eight street trees to the satisfaction of Borough Staff. If utility relocation is deemed technically infeasible, the applicant shall provide a tree in an alternate location of the Borough's choosing; (3) that the applicant locate the proposed parking lot island to align with the proposed driveway and that the island be approximately 16 feet wide; (4) that the applicant enter into the usual developers, maintenance, escrow, and operation and maintenance agreements in form

satisfactory to the Borough Solicitor; and (5) that the project comply with all applicable building and environmental regulations including local, state, and federal.

Mr. Brennan said that in consideration of the foregoing, the following waivers from the Subdivision and Land Development Ordinance are recommended: (1) §404, to permit concurrent application for preliminary and final approvals; (2) §504(c), to permit a sight distance that extends to the western end of West Ashland Street rather than the required 250 feet; (3) §509(a) and §803(d)(12), to allow a stopping area with a slope greater than four percent; (4) §509(c), to allow a driveway width of 20 feet; (5) §510(h), to allow a curb radius of less than five feet within the parking lot; (6) §511(a) to allow the overall width of curb and sidewalk to be five and a half feet; (7) §516(f), to permit grading within five feet of the property line; (8) §520.E(3)(f), to allow seven street trees if it is technically infeasible to provide the required eight trees; (9) §520.F.1 and §520.G.1, to permit buffer plantings to be located outside of the designated buffer area; and (10) §520.H.2, to permit six percent of the parking lot to be devoted to landscaping rather than the required 10 percent.

Mr. Brennan said that if Council is in agreement with the Committee's recommendation, it may grant Preliminary and Final Subdivision and Land Development approval by carrying a motion to do so. (Brennan-Gordon)

Mr. O'Brien asked if there were representatives in the audience for this and the response was, "Yes." He asked if they agreed to these conditions and the response was, "Yes."

Mr. Frederick commented that this has been a long process, not just this, but the whole West Ashland process and this is a nice culmination to that process.

Mr. Brennan commented that he is happy to see a resolution that works for the neighbors and owners of this lot. He said watching the whole thing, he's glad to see it end where it appears to be ending.

Kay Rock, 306 West Ashland Street, said she came tonight to reiterate her support for this project.

Doreen Stratton 186 East Ashland Street, said, "for those of us who have lived here forever," that was the area of the old Happ Contractors, a business in Doylestown Borough which was there for over 50, 60 years. She said goodbye to them and she hoped that the buildings being put up will fit into the ambience of West Ashland Street.

With no further comments from Council, Staff, or the public, the vote was called. All were in favor and the motion passed unanimously.

2. **Zoning Hearing Board Report.** Mr. Brennan stated that he was advised that the Wawa zoning appeal has been withdrawn and the other application has been rescheduled, so there is no report as nothing is scheduled and the meeting is going to be canceled.

3. **Historic & Architectural Review Board (HARB) Report.** Mr. Brennan said that at their regular monthly meeting, the HARB recommended the issuance of Certificates of Appropriateness for the following applications: Sign Applications: (1) 64 S. Main Street, Fabby-Do, Robin Brackbill, conditional on using option two with a single post and door and window logo applications, (2) 34 E. State Street, nourish by MAMA, Kendall Bajek, and (3) 20 E. Oakland Avenue, Sweetah's Gluten Free Bake Shop, Beverly Berkeley; and, Building Applications: (1) 155 N. Main Street, Keila Gilbert, windows and siding replacement, conditional on the following: restore the windows on the front and use Anderson 400 series windows on the sides and rear,

restore the German siding on the street elevation and south facing streetscape and replace the remaining siding with a smooth finish Boral or Hardiboard, remove the shutters, rebuild and restore the third floor window and replace the front door transom. The property owner's color choice was also approved as submitted, (2) 172 E. Oakland Avenue, 120 Athens Avenue Associates LLC, new residential construction, conditional on the following: the chimney should be brick and not a stone finish and use a standing seam metal on the pent roof and smooth panels rather than siding on both the Church Street and East Oakland Avenue portico entries, (3) 168 E. Oakland Avenue, 120 Athens Avenue Associates, LLC, residential demolition, HARB recommends denial of a Certificate of Appropriateness to demolish the entire house, (4) 278 W. Oakland Avenue, Kurt and Amy Kremser, addition and renovations, conditional on the following: use Lancaster Series PVC overlay garage doors, remove the pent roof over the garage and replace it with a shading device at the discretion of the architect, and the addition roof should be a standing seam in a bronze color; and, (5) 187 E. Court Street, William and Laurie Schutt, garage/shop addition, recommended for certificate for the garage/shop addition as presented with revisions.

Mr. Brennan said the Committee recommends denial of the application related to 168 E. Oakland and it also recommends approval of the remaining applications in accordance with HARB's recommendations. He said if Council wished to follow the Committee's recommendation, it could do so by motion. (Brennan-Frederick) With no comments from Council, Staff, or the public, the vote was called. All were in favor and the motion passed unanimously.

4. **Code Enforcement Monthly Activity Report.** Mr. Brennan reported there were 76 residential and four non-residential use and occupancy inspections, 50 complaints were investigated, 25 building inspection, one recycling inspections, six sidewalk/paving inspections, no sidewalk/snow inspections, three litter enforcement, no graffiti, 10 fire company issues, and 13 tree removal permits/issues.

5. **Building Inspection Monthly Report.** Mr. Brennan reported there were 168 total permits and a total cost of permit fees of \$188,329.60.

ENVIRONMENT AND RECREATION - Ms. Margolis

Chapman Park Twin House Subdivision. Ms. Margolis stated that provided was a site plan for the subdivision of the Borough-owned twin house on Borough Mill Hill Road which is currently part of the larger Chapman Park property. She said the former rental property has been at least partially vacant for many years and is now fully vacant. The subdivision of this twin house on its own lot would allow for the subsequent sale of the property.

Ms. Margolis stated that the Committee is recommending the following: (1) that Council authorize the submission of an application for zoning relief to the Zoning Hearing Board in order to allow the subdivision; (2) that Council authorize the submission of a subdivision application for the property; (3) that Council authorize an appraisal for the property; and, (4) that the property ultimately be encumbered such that any future improvements require a certificate of appropriateness from Borough Council and the Historical Architectural Review Board, and that the initial acquisition of the property must be for owner occupancy.

Ms. Margolis said that if Council wished to follow the recommendation of the Committee, it could do so by motion. (Margolis-O'Brien) With no comments from Council, Staff, or the public, the vote was called. All were in favor and the motion passed unanimously.

WATER UTILITY - Mr. Flood

Mr. Flood reported the Committee met and began their preliminary budget discussions. He then called upon Mr. Norris for the monthly Water Department Report, with visual aids, as follows: there were two water main repairs, one water service repair, one system valve installed, 27 water meter repairs, 19 SCADA System Alarms, 11 well house repairs, seven house calls, three emergency shutoffs, two bulk chemical deliveries, and one power outage. Mr. Norris noted the following from the front office: 98 late/shutoff notices were sent, five shutoff door hangers were posted, 11 meter repair notices were sent, four meter repair door hangers were posted, 18 final readings, and there was one non-payment shutoff. [He noted that the pictures being shown were incorrectly identified as 222 Hillside Avenue and it should have been 222 Hillcrest Drive.]

Ms. Margolis asked if something was going on Cottage Street this evening. Mr. Ehlinger advised they were doing patching there. He said they're trying to do a fairly aggressive program and, in fact, are using their new milling machine on the Bobcat, so in addition to Cottage Street there are about a half dozen other patches they will be pushing this week.

FINANCE/PENSION - Ms. West

1. **Disclosure of 2019 Minimum Municipal Obligation to Pension Plan.** Ms. West stated that Act 205 of 1984, as amended, requires that the governing body of the municipality be informed of the Pension Plan's expected financial obligation for the coming year. She said that the Projected 2019 Non-Uniform Pension Obligation is \$125,506, which must be paid by December 31, 2019 from either general fund monies or with any General State Aid to Municipal Pensions to which the Borough may be entitled under Act 205. Ms. West said no action was required by Council.

2. **Finance Report.** Ms. West asked Ms. Brinker for the monthly finance report. Ms. Brinker reported that the total of all funds expended was \$607,959.59. Motion to approve the Finance Report. (West-O'Brien) With no comments from Council, Staff, or the public, the vote was called. All were in favor and the motion passed unanimously.

PERSONNEL - Mr. O'Brien: No report.

PROFESSIONALS' REPORTS

Engineer's Report - Mr. Dougherty: No report.

Solicitor's Report - Mr. Yeager: No report.

Central Bucks Regional Police Department (CBRPD) Activities Report. Police Chief Knott stated the Police Activity Report was provided, showing that last month, there were 1362 incidents in the Borough. Chief Knott said they have spent \$3,363,953.66 and are at 62.07% of their yearly budget.

The Chief gave a shout out to the Public Works Department who helped them with the Arts Festival and bike race. He said despite the weather, they moved all that large equipment into place so we could have a safe event.

PRESIDENT'S REPORT: None.

OLD BUSINESS

Mr. Flood said that Council is in budget discussions looking at the PennDOT site and as the cost estimates come in, they have roughly doubled from what they were a couple of years ago. He said a couple years ago, he was criticized in the newspaper for merely asking where this was going because the cost of the sale, the lease agreement, had doubled, and he also felt that as it pertained to the police headquarters, that our municipal partners were not paying their fair share of what it was going to cost the Borough residents for that headquarters. He urged Borough residents to pay attention to what's going on and maybe get to a budget meeting and see what's happening with this project.

Mr. Flood said, "we all support the park, I was criticized for that, I've never been against the park." He commented that the park can kind of roll out over time, it doesn't need to be done all one time – you can get some grass down and do things as time goes along.

Mr. Flood then said there's kind of a movement with the Council majority to move money from the Water Fund and to raise water rates in order to kind of subsidize our Reserve Fund, as sort of a backdoor tax increase. He said what's being discussed is 10-20% increase in residents' water rates. Mr. Flood said that the cost of water distribution has not gone up that much in a year, so he urged residents to be aware of that. He said he knows Borough Staff does a great job and this is a not a slap at Staff, they are sharpening their pencils while working on this, but I think in the name of accountability and openness, we should be honest with our residents. He said that as somebody who has always looked after our residents and has always been fiscally disciplined, we have a lot of work to do on this front.

Ms. West responded by saying that yes, we are getting costs in and we, and Staff, are looking at the building plans. She said some of the incremental costs are actually due to new additions to the plan based upon the Regional Police preferences, not requirements. She said we are going back and looking at what some of the new additions to the plan are going to cost and revising them.

Ms. West commented that there was also basically about a 25% increase just over time from when the last estimates were done about 2015. She said we are working on not burdening the residents of Doylestown to double the costs of what were quoted five years ago and working very hard at that.

Ms. West said that as far as water is concerned, and she chaired water when she first got on Council, one of the things they've been moving toward is for the Water Department to actually support and fund itself as opposed to taking money from the Reserve Fund because the Reserve Fund is really, really important. She said since the crash of 2008, we have not been earning the interest on the investments which are required by law. She said there's very little we can do about the interest rates and we've lost a considerable amount of money in interest on it. Ms. West said that as we look at how to address this, because even though things were supposed to turn around by year 2017, the bond market and the funds that we're invested in for the Reserve Fund have not bounced back. She said we seriously have to address this.

Ms. West said one thing that has happened is that water has really not paid for itself and we want to start building up a Reserve Fund for water. She said she remembers one year, just to get everyone's attention, the Water Director, when we were looking at our capital budget expenditures for the next year, put a million dollars in for replacing the water main on North Street. She said

although he wasn't really requesting those funds, he did want to give us a shock of reality of what it really does take for us to address the infrastructure of our water system and the infrastructure of Doylestown.

Ms. West commented that there are a lot of things for us to be considering as we move toward building the PennDOT property, doing things that we are proud of for Doylestown, and looking at our finances in the long term.

Mr. Brennan commented that he thought we do have legitimate public safety concerns that we have to address in the Borough. He said we're hearing from the Police Department and we've seen other localities that haven't regionalized that are bearing the full weight of all of these things and their dealing with all of it on their own.

Mr. Flood commented that we already regionalized years ago. He said his complaint, and it was misstated in the newspaper, is that the arrangement reached with our municipal partners calls upon their taxpayers to pay less than Borough residents. He said at the time, he was told it wasn't a big issue because it was a small amount of money. Mr. Flood said when you start doubling the cost of the project, now you're starting to see what he was talking about a couple of years ago.

Mr. O'Brien responded to Mr. Flood's comments by saying that as far as the project of the police headquarters, that cost is shared equally among the three municipal partners, it is one-third, one-third, one-third. He said he thought what Mr. Flood was referring to is operating costs of the police department. Mr. Flood concurred. Mr. O'Brien said he believed it is calculated based on a formula that looks at miles, population, crimes, and police call. Mr. Flood concurred again and added that a lease is considered an operational cost, not a capital expenditure, and that was his complaint.

Mr. Davis stated that the lease clause remains what it was when it was executed, that because it is a lease and not a fee simple purchase, it becomes an operating cost and it splits. That has not changed. He said the cost of our municipal partners have increased the same as the cost to us. Mr. Davis said we are working to bring those costs down.

Mr. Davis said the estimate was from 2015 and there is some inflation, but there's also been changes in scope that can be adjusted. He said he is confident that we can bring it back, reduce the cost for the building, reduce costs for the site, and as Mr. Flood mentioned, the park can be done over time. He thought they could bring those costs in.

With regard to the Water Fund, Mr. Davis stated that we do have the lowest water rates in the region by a considerable margin. He said Council's message last year was to try to move the Water Fund to its own self-sufficient reserve and move some of the tapping fees out of the Operating Budget. He said we're now seeing some new development that's going to help us do that, hopefully a little bit ahead of time. Mr. Davis said we have an operating deficit at this time which we need to address, but as stated, since we do have the lowest rates in the region, we're comfortable that we can address that.

Mr. Flood pointed out that if the tapping fees stayed in the budget, we would not be at a deficit, we would be at a surplus as projected for next year. Mr. Davis said that depends on what we come in with.

Mr. Bell commented that he joined with Mr. Flood in encouraging residents to attend meetings and to pay attention, which is very important. He said he did want to correct one thing that Mr. Flood observed about there being sentiment on Council to increase water fees to

supplement the Reserve Fund. He said he sits on the Finance Committee and he could assure everyone that's never been the sentiment at all. He said what they are interested in doing though is making the costs of the services provided to the residents offset by the utility, so the idea is that you charge the residents what it costs to deliver the water and nothing beyond that.

Mr. Flood said that is what we are doing now, but not projected into the future. He said it's obviously a disagreement of philosophy on this.

Mr. Bell said in this case, it's a disagreement of fact because there is no sentiment on the Finance Committee, or elsewhere that he has heard, of increasing water fees to pump up the Reserve Fund, "in fact, we just want to cease the practice of doing the opposite of running a deficit."

Ms. Margolis stated that this is all a matter of public record, it's all in the minutes; nobody is trying to hide anything from anyone.

Mr. Frederick commented that it's nice to have the lowest rates in the area, but it's not getting the job done. He said that we need to put water back on an even keel and stop running deficits, and that's the main point of the whole thing because if you don't, it has to come from somewhere, someplace else to pull money from. He restated that having the lowest rates is great, but it doesn't pay the bills and that's one reason why he thought the increases are needed, to put us on a better footing with the water and make it self-sufficient.

Mr. Berk said the rates you pay for water being delivered to your home are approximately, he believed, one-quarter of your water/sewer bill, the vast majority being something that we have nothing to do with which is the sewage.

Mr. Davis said it's only a part of the total budget picture and when we pull the whole budget together, Council will have to weigh various options with regard to maintaining the reserve where we're not seeing any real investments return relative to the state of your Water Fund and the rate structure that you have there where the rates are very low, as well as other competing interests like some of the capital costs upcoming for the park. He said there are multiple options which will be available in terms of how to address that and Council will have to weigh those competing needs.

Mr. Flood said he wanted to put out that a lot of this conversation has centered upon the fact that the Reserve Fund, which has nothing to do with the Water Fund, is the source of the problem because we always get back to the interest rate that the Reserve Fund is not making. He said that's why we're trying to cut off the Water Fund, unlike the rest of Borough government from access to the Reserve Fund. That Reserve Fund was created when the sewer department was sold to Bucks County Water & Sewer. Mr. Davis agreed. Mr. Flood said water and sewer are pretty interrelated so the idea that this is a creation of the Water Department because water distribution has gone up 20% in a year is not factually correct – it's because the Reserve Fund is going down. The Reserve Fund used to be something like \$11 Million and now it's down to \$4.

Mr. Davis replied that it was never \$11 Million. He said the sewer sale was for \$12.5 Million, a million and a half of that was set aside to provide rate relief and that an additional \$4 Million was spent immediately on paving roads, upgrading the Borough's handicap ramps at the time of the ADA. Mr. Davis said we started with \$7 Million and we're in the vicinity of \$6 Million now. He said early on when there was a strong bond market, it returned seven or eight percent interest, and that interest paid for the Borough's capital outlay. He said it was a very nice and convenient arrangement whereby neither the Borough's General Fund or the Water Fund were forced to be used to pay for capital costs. He said that every year, the Water Fund receives a transfer in the

area of somewhere in the area of \$100,000, sometimes less, sometimes more, to offset the cost of its capital outlay. Mr. Davis said that if the water company didn't have access to that, it would have the capital outlay built into its rate structure. He said that we do not. He said that money comes from an external source and that external source is now being stressed and is declining, and there is some concern about it, so the goal is to create a Reserve Fund that is totally within the Water Fund and ultimately stop that transfer

Mr. Flood said last year he actually proposed using some of the tapping fees to create a Reserve Fund, but it was not to create a Reserve Fund to the point of running our operating budget into deficits so we have to increase water rates. He said the Borough is going to make a lot on tapping fees next year and we're going to raise water rates, which doesn't make sense to him. He said Council members can have a different view of that, but that is what we are doing.

Mr. Davis said the Borough is anticipating some one-time tapping fees from the building that was just approved tonight. It is a one-time thing. Mr. Flood commented that we get them every year. Mr. Brennan said that doesn't solve the structural problem.

Mr. Flood said he always hear everybody say we have the lowest rates in the County. He noted that we also have one of the oldest systems in the County and that's why we do, because the system is paid for, while other systems have debt they're carrying. He said we have also added some debt over the last few years to the Water Fund, which was part of projects that also involved other parts of Borough government. He added that Water Fund also has taken from it some of the operating costs, such as Mr. Davis' salary, and we have a Water Director. Mr. Flood said if we're going to have a discussion about what water costs, it needs to take into account all of that, and let's see the rest of Borough government be on its own sustaining basis too from those operational funds because that has an impact on it. Mr. Davis agreed.

Ms. West invited those concerned to the next Finance Committee meeting.

Lastly, Mr. Berk commented that, since we already awarded Mr. Lamba the proclamation for his popup park, with his help and especially with Chief Knott's help, there will be a satellite popup park in front of Stacks, 52 East Oakland, at the same time.

NEW BUSINESS: None.

OPEN PUBLIC COMMENT: None.

EXECUTIVE SESSION: None.

ADJOURNMENT

At 7:52 p.m., Ms. Margolis moved to adjourn, seconded by Mr. Berk. The vote was called and the motion passed unanimously.

Respectfully submitted,

John H. Davis
Borough Manager

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