



**CARNEGIE BOROUGH
COUNCIL MEETING
SEPTEMBER 12TH, 2011**

**Workshop Meeting @ 6:00 PM
Voting Agenda Meeting @ 7:00 PM**

Call Meeting to Order

Moment of Silence/Pledge of Allegiance

Roll Call of Council

Councilperson Catena, Councilperson Covi, Councilperson Demko
Councilperson D'Loss, Mayor Kobistek, Councilperson Sarsfield
Councilperson Veres

Public Comment on Listed MOTIONS

No public comment

Administration and Finance (Councilman Veres)

MOTION to approve the Minutes from the meeting on August 8th, 2011 and August 16th, 2011. Second by Councilperson Demko. UNANIMOUS. MOTION CARRIED

MOTION to approve the September Bill List and Addendum including the invoice from GTN Law. This motion is subject to review. Second by Councilperson D'Loss. Roll Call Vote: UNANIMOUS. MOTION CARRIED

MOTION to accept the 2012 Minimum Municipal Obligation Report for the Borough of Carnegie Police Pension Fund and the Borough of Carnegie Non-Uniform Pension Plan as submitted by the Borough Manager. Second by Councilperson Covi. UNANIMOUS. MOTION CARRIED

MOTION to ratify the Labor Agreement between the Borough of Carnegie and the Carnegie Public Works Department. Second by Councilperson Covi. Roll Call Vote: UNANIMOUS. MOTION CARRIED

Code Enforcement (Councilwomen Covi)

MOTION to adopt Ordinance No. 2360, an Ordinance of the Borough of Carnegie providing for the regulations and restrictions on open fires and open burning. Second by Councilperson Veres: UNANIMOUS. MOTION CARRIED

MOTION to approve a Curb Cut at 979 Forsythe Road. Second by Councilperson D'Loss. Motion to move to TABLE waiting on engineering response. Second by Councilperson Covi
Roll Call Vote: UNANIMOUS MOTION to TABLE CARRIED

MOTION to certify the Borough Zoning Map that reflects changes made pursuant to the adoption of Borough Ordinance No. 2357 changing the zoning in the "Library Hill" area from R-2 to R-1. Second by Councilperson Sarsfield. UNANIMOUS. MOTION CARRIED

Public Works (Councilwomen Demko)

MOTION to approve Pay Application Request No. 3 from Independent Contracting in the amount of \$86,392.66 for repair work completed between July 1st, 2011 through July 31st, 2011 for the 2011 Sanitary Sewer Point Project as required by the Consent Order. Second by Councilperson Covi. Roll Call Vote: UNANIMOUS. MOTION CARRIED

MOTION to approve Pay Application Request No. 4 from Robinson Pipe Cleaning in the amount of \$5,151.89 for work completed between July 28th, 2011 through July 29th, 2011 for the 2010 Sanitary Sewer Lining Project as required by the Consent Order. Second by Councilperson Sarsfield. Roll Call Vote: UNANIMOUS. MOTION CARRIED

Public Safety (Councilman Sarsfield)

MOTION to advertise Ordinance No. 2361, an Ordinance of the Borough of Carnegie amending Ordinance No. 1060, Chapter 15, Section 206 of the Borough Code of Ordinances relating to the parking of Commercial Vehicles in the Borough. Second by Councilperson D'Loss – Councilperson D'Loss made a MOTION to TABLE, Second by Councilperson Veres, UNANIMOUS. MOTION to TABLE CARRIED

Community Development (Councilman D'Loss)

MOTION to re-appoint Ted Aiken and Gary Marches to the Zoning Hearing Board with terms expiring on December 31, 2015. Second by Councilperson Demko. Roll Call Vote: UNANIMOUS. MOTION CARRIED

MOTION to approve Prestley Heights Phase II Bond Reduction Request #1 in the amount of \$63,604.49 (sixty-three thousand, six hundred four dollars and forty nine cents) as reviewed and recommended for approval by Gateway Engineers in their letter dated September 12th, 2011. Second by Councilperson Veres. Roll Call Vote: UNANIMOUS. MOTION CARRIED

MOTION to approve Prestley Heights Phase I Bond Reduction Request #2 in the amount of \$94,234.43 (ninety-four thousand, two hundred thirty four dollars and forty three cents) as reviewed and recommended for approval by Gateway Engineers in their letter dated September 12th, 2011. Second by Councilperson Sarsfield. Roll Call Vote: UNANIMOUS. MOTION CARRIED

Committee Reports

Administration & Finance (Councilman Veres)

No Report

Code Enforcement (Councilwoman Covi)

No Report for Code Enforcement. The Children's Events Committee thanked everyone who came to the festival and supported the Children's Events Committee Booth. The committee is currently working on the Halloween festivities, Santa Comes to Town and Light the Night.

Public Works (Councilwoman Demko)

No Report

Public Safety (Councilman Sarsfield)

Councilperson Sarsfield thanked the police officers and public works for the fantastic job that they did during the Arts and Heritage Festival. Councilperson Sarsfield commented on the two ceremonies that were held on September 11th: the ceremonies in Carnegie and Bridgeville were beautiful and we should continue to remember those who have perished. Public Safety Day will be held on October 15th from 12:00 PM till 3:00PM at the Carnegie Borough Building.

Community Development (Councilman D'Loss)

Maggie Forbes resigned her position as the Executive Director of the Andrew Carnegie Free Library and Music Hall. During Maggie's eight years as director she has raised over seven million dollars for the renovation of the Library and Music Hall. The Andrew Carnegie Free Library and Music Hall has attracted national attention and people visit from all of the country. Maggie will be missed and we wish her the best.

Carnegie Volunteer Fire Department & EMS Report (Chief Kandrats)

No Report

Junior Council Report

No Report

Mayor's Report

Mayor Kobistek reported that there were 39 criminal arrests, 44 traffic citations, 140 parking tickets were issued and 841 self-initiating activity and total complaints. There have been complaints regarding vehicles being parked on West Main Street- please note vehicles will be ticketed.

The Mayor thanked the police force for the coverage they provided during the Arts and Heritage Festival and he thanked Chief Harbin for the scheduling of all of the officers. The 911 ceremony held in Carnegie was solemn and heartfelt – the Mayor thanked the CVFRB and the America Legion Post 82 for assisting with organizing the event. Representatives from Carnegie Fire Department, EMT and Police Department attended. Also in attendance were Crafton Fire Department, Ingram Fire Department, Boy Scouts, and members of our Armed Forces.

The Mayor thanked All Saints Polish National Church for hosting the “Clean-Up in Irish town”; he also thanked the 45 individuals who volunteered their time and efforts. The Mayor also thanked SEAS Knights of Columbus, Councilperson Sarsfield, Chief Harbin, Keith Hatcher, and Pete Schepis for assisting with the clean-up.

The Mayor informed the residents that PAWC will be flushing water lines through the end of September and water pressure may be low at times.

The Mayor informed everyone that SEAS Food Bank will hold a Fun Raiser on September 22nd from 6:00PM till 9:00PM at Peters Place in Bridgeville. For additional information call (412)722-0604.

Lastly, the Mayor presented his objections regarding to the passing of Ordinance No. 2362.

Mayoral Objections to Ordinance No. 2362 of the Borough of Carnegie:

Council held a special meeting to address the refinancing of the Bond Issue on August 16, 2011. A Motion was made to pass Ordinance No. 2362 of the Borough of Carnegie. This Ordinance was passed by a unanimous 6-0 vote of Council. As Mayor I exercised my prerogative to not sign the ordinance. At this time I am returning the Ordinance to the President of Council, Pat Catena with my objections. I am requesting that these objections be entered into the official minutes.

I have chosen to veto this ordinance because I am not in favor of continuing to add significant monies to our outstanding debt service, especially in this volatile economic climate. With that being said, I feel borrowing one million dollars for projects not specifically tied to a comprehensive plan or a plan for leveraging money from outside sources is not in the best interest of the borough at this time - and could very well handcuff future Councils in their efforts to continually update infrastructure and keep taxes in check. I feel there are other options available that are more fiscally prudent. Currently, I received over 40 emails and numerous phone calls and contacts from residents who are opposed to adding this much money to our debt service without it being part of a specific comprehensive plan.

At this time our aggregate debt service (bonds and notes including interest obligations) is approximately 7 million dollars and will be paid off in the year 2029. I am in favor of refinancing our current debt to save us a substantial amount of interest. However, if we add 1 million dollars (combination of new money plus refinancing savings) to the bond issue that in

turn will add an additional 1.8 million dollars to our aggregate debt service; which will extend our bond issue to the year 2032 and increase our debt service to over 8.7 million dollars (which is about twice our annual budget). This would be the second time in five years that Council refinanced and added money to our debt service (you are only permitted to refinance once every five years). If you total both issues (2006 and 2011) we will have increased our aggregate debt service by approximately 50% in five years.

According to information presented at the meeting, the money would be used for replacing the deck on the Morrow Ave Bridge (est. \$90,000), a new road salt bin (est. \$70,000), demolishing and renovating dilapidated properties (rough est. \$200,000) and paving roads (we could easily spend the million on roads). While I feel all these projects are worthwhile, we really have no official plan on how to utilize this money - with the exception of the bridge and the salt bin. I believe the other projects are more of a wish list that is not part of any solid comprehensive plan. I also have some serious concerns about adding 1.8 million to our current debt service in this volatile economic climate. I believe the borough is still crippled from the debt service associated with construction of our borough building back in 2001 (which led to tax increases and service reductions), so to continue to add to this substantial debt is very worrisome to me.

A bond issue for a much lower amount is another option that was discussed. I believe \$250,000 would be the most reasonable amount. That coupled with the savings from refinancing would enable us to complete the essential projects with enough left over to kick start some of the other issues. Although I don't agree, I am willing to compromise on a little larger amount. If Council borrowed \$500,000 (new money plus savings) under the terms of the broker's (PiperJaffray) proposal our aggregate debt service will be approximately 1 million dollars lower than if we were to borrow 1 million dollars (new money plus savings). It would also only extend our debt obligation by a little more than a year (as opposed to three years). In my opinion this is a much better bargain than acquiring a million dollars.

Lastly If Council overrides my veto and borrows the additional One Million (principle plus savings), I am asking Council to invest some of this money into infrastructure needs that will save the borough money in the long run such as: LED street lighting, amenities in our comprehensive plan, or utilizing a portion of the money for phase II of the Carnegie Park renovations. However, it would be my preference to leverage grant monies for these projects.

I have enclosed a list of my primary concerns associated with the Ordinance:

The residential contacts I've encountered have been against this Ordinance

The plan for spending the money provided at the August 16th meeting was incomplete and members of Council could not fully agree on which capital improvements to fund

We have no formal plan for spending \$200,000 on renovating and demolishing vacant/dilapidated structures. This is entirely too much money for this ambiguous project. We should be utilizing current laws and addressing the owners of these properties to fund many of these demolitions and repairs. Also, Carnegie borough should not be in the real estate business. Not only is this extremely risky, there are issues such as prevailing wage and union contracts that may be huge obstacles. Lastly, we lack the legal expertise to protect Carnegie's investments in these endeavors.

Our debt is the second largest line item in our budget (behind item #102, Salaries of Officers) - it is larger than our health care expense. We should be looking at ways to reduce this expense not increase it. We all know what the debt from the borough building and 2006 bond issue has done to our budget. I believe this debt will impair our future Councils' ability to meet the needs of the residents. Also we need to pay attention to history, in 2002 our tax rate was 4.2 mills, today it is 7.2 mills, and we are down one Police Officer and Public Works employee since then.

The increased debt service will limit our ability to handle future issues such as: additional state and federal mandates, pension shortfalls, and catastrophic events (in the past two years, we had a devastating flood, Scott Twp. had a huge landslide, and Crafton had to rebuild a bridge and lost a lawsuit for one million dollars). We need to maintain our borrowing power in this unstable economic and political environment.

As far as paying the debt off early, while the intentions would be welcome it most likely will not be carried out by future Councils. This same theory would be better applied to borrowing a lesser amount. Also, by paying additional monies towards this debt will be removing 55K to 70K (depending on the rate) from our operating obligations (or capital) in the general fund for 15 years or more.

As far as using long term debt for roads, I would argue that life of the debt will exceed the life of the road projects.

I am asking Council to come to some compromise that would help protect the future fiscal health of our borough while addressing some of these capital projects/needs. I know the current solution seems accessible and convenient; however the simple truth is... it's not fiscally prudent.

Jack Kobistek, Mayor of Carnegie
2011

September 06,

General Public Comment

Ms. Cheryl Covi-Steffan – California Ave, Carnegie PA

Commented on the refinancing the Bond Issue and incurring 1M. Cheryl Covi-Steffan stated that the residents would like to see a comprehensive detailed plan regarding the use of the 1M.

Mr. Al – 2 Fleck Court, Carnegie PA

Expressed his concerns regarding the Ordinance pertaining to Skate boarding. He requested the review and revision of this Ordinance. Al also had a dialogue with council regarding the definition of a commercial vehicle.

Amanda Kolle – Carnegie Towers, Carnegie PA

Expressed her concerns regarding curb cuts and accessibility for wheel chair bound residents. These residents are having some difficulty maneuvering through the streets of Carnegie.

Council Good and Welfare

Councilperson Sarsfield – 2nd Annual Public Safety Day - October 15th. This is a nice event for the children and residents. Please mark your calendars and plan to attend.

Councilperson Demko – Commended Carnegie Borough’s EMS for their quick response in July when responding to her husband’s need for their service. Mr Demko commented on the singing of the Star Spangle Banner at the 911 ceremony.

Councilperson D’Loss – No Comment

Councilperson Covi – Commented on the 911 Ceremony – Councilperson Covi stated that she is glad that she was witness to this touching and uplifting ceremony. Mrs. Kelly Kobistek, singer of the Star Spangle Banner, voice is hauntingly beautiful. The speeches given were brief yet very moving. This ceremony was a wonderful way for the town of Carnegie to remember 911.

Councilperson Veres – Informed the council and the residents of the progress of the 2012 Capital Improvement Plan. Councilperson Veres stated that all council members and the Mayor have been discussing this plan for twelve months and during that time period nobody had voiced major disagreements concerning the 2012 Capital Improvement Plan. Councilperson Veres is looking forward to getting the town of Carnegie moving forward.

Council President Catena – Commented on the Arts and Heritage Festival and what a wonderful event it was. He thanked all of the people who worked so hard to make this event a success – the Police department, Department of Public Works, Administration, Fire Department, and the Arts and Heritage Committee. President Catena also encouraged the residents to attend these meetings. President Catena stated that he welcomes all comments and input from the residents and mentioned that council members, borough manager, and the Mayor may be contacted – contact information is listed on the borough web site at www.carnegieborough.com.

MOTION TO ADJOURN

Council President Catena asked for a motion to adjourn.

MOTIONED by Councilperson Covi. Second by Council person Sarsfield.