

## WORK SESSION

November 18, 2019

Council President Beverly Wolfe called the meeting of Pennel Borough Council to order at 7:30 p.m. with the Pledge of Allegiance.

Council President Beverly Wolfe called for a moment of silence for Sam Simon, Sr.

### Present at the meeting

Mayor Robert Winkler

Council President Beverly Wolfe

Council Vice President Barbara Heffelfinger

Councilwoman Laura Germain

Councilman John Stratz

Councilman Mark Moffa

Councilman Joe Dudash – absent, attending to a family matter

Councilman Rich Flanagan - absent

### Also present

Ben Hauser, Hill Wallack, Solicitor

### Presentation

Keystone Collections Group – Earned Income Tax

Mark Moffa said they entertained a recommendation from the Long Range Finance Committee that the borough look into implementing an Earned Income Tax. Keystone Collections Group made a presentation to them earlier in the year. They are here to present information on how it works to borough council. Joseph Lazaro, Vice President and general counsel for Keystone is here tonight to present how this would work for Pennel Borough. Presentation is on file in the secretary's office. Mark clarified for everyone that the questions he presented to Joe were generated by the Long Range Finance Committee. Council has not had a chance to ask questions yet.

There is a resident side and non-resident side of the EIT. These are taxable wages for an EIT: unemployment, salaries, wages, net profits, stock options, deferred compensation, early withdrawal from IRA or 401K, bonuses and tips. What is exempt is pensions, social security, unearned income, alimony, active duty military, inheritances, gifts, interest, dividends, capital gains. Beverly Wolfe asked what it costs the municipality for Keystone to collect. Its rate is 1.34% of the tax collected. There is an exception to that which is Act 192. If they are late paying, they don't pay, they underpay, the borough pays Keystone nothing. And any fees or penalties collected, the borough gets. We can adopt a low-income exemption. By law, 0-\$12,000. Anything over that, the state does not give us the authority to grant an exemption. Not many municipalities grant this exemption. Solebury has \$5,000.00 as the exemption, Bensalem is at \$8,000.00 and Middletown is \$2,000.00. That is based on individual income, not household. Keystone will provide support, communication, and outreach with the residents, with printed materials, press releases, and links for our website. They also provide 24/7 call in support.

Beverly Wolfe asked, hypothetically, if you did this 12/1 and it goes into effect 1/1, when would the municipality typically see the first revenue from it. Joe said in this community you would start to see it almost immediately. Most businesses they don't have to file until the first quarter.

January, February, March and then they file in April and that's when you get the pick bulk of funds. So many businesses now, Sunoco, every chain, Subway, everybody, they don't want to file quarterly in each county. They can take any jurisdiction where they are operating and follow all of them and they become monthly filers so you could see those funds in January. They would have to file electronically so it passes through really rapidly.

Mark Moffa asked about the \$12,000.00 minimum income. For the folks who make under \$12,000.00, they do not pay an EIT. He asked if the people who make over \$12,000.00 get to exempt the first \$12,000.00. Joe said they do not. Laura Germain asked how it would work if they worked in a place where there is low income but they live in a place that doesn't or vice versa. Joe said it happens all over and they pay where it is up to the jurisdiction. Laura asked about the delegate and if they only represented Penn del or other places too. Joe said you can and a lot of places do. Any community can pick anybody they want to go and serve. You can't pick someone from Keystone. That's about the only rule. A lot of communities pick somebody and say their alternate would be, if the school had the tax, they would always be at the meetings. Or somebody you think will always be at the meetings. If Penn del can't make it, so that the TCC always has a quorum, they pick an alternate. Another words, he he's not there, you're voting for him. You can pick one or two alternates and once they are on the record, you pass a resolution here, then the TCC knows that any of you can go at any time.

Beverly asked what support Keystone will give them to communicate to the public. Joe said they have a really good media team. They will do outreach. They put information in print, in press releases and on the website. They will provide links so the residents can just come to the borough website and just click on frequently asked questions, forms, to learn about this. They can type in questions. It's 24/7 if they want to ask online. They also have customer service if they want to call in and talk on the toll-free line. They are well trained people who are very careful about making sure people aren't waiting on hold. If somebody calls in and hangs up, they can see where they are calling from and they can call them back. During the busy times during tax season in April, they answer the phones, Saturdays, Sundays, evenings. There is a separate number for the businesses. They also have a separate number that they don't want given out for client services. Mark Moffa said about outreach to residents, there was some question earlier in the year about outreach to businesses. Is that along the same line or is there a special outreach that's done. Joe said there is a couple other things they do. If you have a Chamber of Commerce, they like to work with them and he or someone from the business team attend those meetings to show them how to use the portal. A couple of new counties have joined them in the last year or two and they really want to get them up and running. The people they used before didn't have the systems in place. It worked so beautifully. They got caught up, new businesses were online within a week. They just spoon feed it and make it easy. They make themselves available.

Beverly Wolfe asked if they had any idea of the number of people who live and work in Penn del that would be paying this tax for the first time. Joe said that would be the number he couldn't tell her because you have no tax and no one else does. That is the toughest one to guess on. That will increase your total revenue that we can't see right now. We have no idea what that number is. Beverly said they were given that number by the county but she wanted to see if they had it.

Barbara Heffelfinger asked how many public meetings they have to have before enactment, if they enact it. Joe said he wasn't sure and deferred to our solicitor. Joe said it has to be announced three times. Ben Hauser said you have to provide a notice once per week for three successive weeks in addition to the borough code requirement which is under the tax enabling act. Before you enact an ordinance, your typical process is no more than 60 days, no less than

seven days to put the ordinance up for notice. This requires instead of that, you'd have to get a notice before the seven weeks, once per week. Within the last month before you pass it you have to advertise every week before the meeting. Beverly asked if there was a requirement for them to hold a specific number of any public meetings. Ben said other than the final meeting, no. Beverly said like having any open house for the residents. Ben said that is his understanding.

Steve Lowe, 409 Cynthia Ave., said Joe mentioned what was taxable and what was not taxable. He heard salaries, bonuses, wages, net profits, tips, stock options, deferred compensation, early withdrawals of 401K. How about inheritance tax? Joe said no. Joe said the easy way to look at it is, did I go out and do something to earn it. Steve asked about property gains. If he bought a piece of property ten years ago and he sold it ten years later and he made \$100,000.00 on it. Joe said if you did that and you made a gain, it's not going to be taxable. If you are in the business of buying properties and selling properties business then you will be taxed. Steve said he lives and works in Pennel Borough and has never paid an EIT. If the borough enacts the tax, is it an all in kind of thing or do they pick and choose. He's not sure if he is saying it right. A person that lives in Pennel and works in Bensalem and already has the tax, that money is now going to Bensalem. Joe said yes. There can be no discrimination. They have to be administered to everyone uniformly. The same set of rules for everyone.

Jeff Paulsen, 255 E. Lincoln Hwy., said this doesn't affect him but he heard the comment earlier about the \$12,000.00 low income. He asked if it is individual income or household income. Joe said the entire tax is individual. In no situation is the spouse's combined, even when they are filing their final return and they have a joint return. One spouse on one side and one on the other. Nothing is combined.

Motion Items:

Barbara Heffelfinger said she would like to see a change in the November 4th minutes. There is a section in there about Kevin Burcz and resubmitting his bid for snowplowing. It says revised and she said resubmitted.

MOTION BY BARBARA HEFFELFINGER TO REVISE AND ACCEPT THE CHANGE FOR THE NOVEMBER 4, 2019 COUNCIL MEETING MINUTES UNDER NEW BUSINESS SECTION LINE 6 SECOND PAGE THAT READS REVISE AND SHOULD READ RESUBMIT.  
SECONDED BY LAURA GERMAIN. All ayes, motion carried.

MOTION BY JOHN STRATZ TO APPROVE THE MINUTES OF THE NOVEMBER 13, 2019 BUDGET WORK SESSION. SECONDED BY BARBARA HEFFELFINGER. All ayes, motion carried.

MOTION BY BARBARA HEFFELFINGER TO PAY THE FOLLOWING BILLS:

Comcast Business invoice dated 11/1/19 in the amount of \$175.38 for PD voice and internet and service

Comcast Business invoice dated 11/2/19 in the amount of \$127.87 for internet service at 790 Neshaminy Street

Gettysburg Benefits Administrators, Inc. invoice dated 10/31/19 in the amount of \$164.93 for dental insurance installment

Independence Blue Cross Invoice #191107198316 dated 11/7/19 in the amount of \$5,022.82 for medical insurance installment

State Workers' Insurance Fund invoice dated 11/1/19 in the amount of \$1,897.00 for fire department workers' compensation insurance installment

SECONDED BY MARK MOFFA. All ayes, motion carried.

#### President's Report

No report

#### Mayor's Report

No report

#### Engineer's Report

Beverly Wolfe read Carol Schuehler's report which is attached.

#### Committee Reports

##### Ordinances

Mark Moffa reported that they are plugging away on the TOD. There's been a lot of activity in the last couple of weeks. Ben Hauser has done a lot of work incorporating some changes into the ordinance. They've already had a cursory review of those changes by the Bucks County Planning Commission. It was back in Hill Wallack's lap to take the Bucks County Planning Commission's comments into account. They now have the map. They are getting close to be able to introduce this.

##### Finance

Mark Moffa reported they introduced the budget last week. He thanked the council president for doing the bulk of the work on it.

##### Administration

Mark Moffa reported that one of the final things they are trying to work into the budget is healthcare costs for next year and considering the options on that. There will be no property tax increase next year. Beverly said the budget is on display and is available in the secretary's office.

##### Community Development

Barbara Heffelfinger reported that they completed the year for the RDA and they will have to get all of their information together to submit final reports. Any money that isn't spent goes back to the RDA. We want to spend every penny that we've got. The TOD is going to be a really big thing in Penn del to enable us to revitalize. With that we've got another tool to work with. Beverly Wolfe reported that we didn't get anything from this round of the Multi-Modal. We will keep working at it.

##### Community Relations

Laura Germain reported she is in the planning stages for the events coming up in 2020. She is working on the newsletter.

### Recreation Board

Laura Germain reported that they have a rec. board meeting coming up this Thursday at 7:00 p.m. if anyone would like to come out.

### Streets & Sewers

John Stratz reported there is a late development and they have only been talking about it the last two weeks despite a year and a half worth of work which makes him a little suspicious of this in the first place. He and Carol Schuehler received a letter from Mike Fuller regarding the RSLPP. The industry standard for street light surge protection is 10k volts. In round one, they made the requirement to be 20k volts. In this round, they are not making us follow that requirement and because of such, only 5% of the cobra heads have been ordered at 20k volts. Mike Fuller goes on to say that his experience is that PECO does tend to have fluctuation in voltages and no surge protection will protect against a lightening strike, the more surge protection you have, the longer a fixture will last. A 10-year warranty is still a 10-year warranty no matter what we do to our street lights. That's as big of a warranty as we are going to get, no matter how much money we pour into this. The extra money they are now asking for is \$1,500.00 for the extra surge protection. It is his recommendation, they bought the car, the contract is in front of us and now the salesman comes up to us and says by the way, would you like to get the extended warranty, would you like us to add seal protection to the paint. Mark Moffa asked if they had to vote on this tonight and can you show us something in writing. Beverly said this is the equipment they have to have ordered and in by the end of the year to pay for it. Beverly said to let her get this straight. The cobra heads, 10k volts is the industry standard. For round one they were doing 20k, which is with any surge protection, you try to get the most that you can and nothing is fool proof from everything. So, they only have a few of those at the 20k volts. John said only 5%. Nobody else wanted it. It is not a requirement so most of the other communities said no. Beverly said she is leaning towards that. She said we still have the same warranty with 10k or 20k. If it gets hit by lightning, that's an act of God and probably voids the warranty anyway. John said exactly. Mark asked what the extra \$1,500.00 was for. John said it's for taking the standard of 10K volts up to 20K volts. Beverly said if 10k volts is the industry standard, then it's a standard for something. John said that round one was forced to go with 20k volts but round two which we are in was not forced, it was elective. Mark asked when you say industry standard, who's standard? John said UL – Underwriters Laboratories. It's the industry standard across the country for LED cobra heads. Steve Lowe said the industry standard is part of UL Underwriters. Philadelphia Electric, Pennsylvania Power & Light, they all give you a 10% over or under so the first question to John is, are all these street lights 120 or 220 volts. Beverly said surge current rating is 10k using industry standard. John said they are putting in bigger bulbs but dialing down the voltage. Steve asked again if they were 120 or 220 volts. John said it did not come up. Steve said that it must be 110 volts and PECO will give you up to 10% so 102 times 10% is what your voltage would be so you are good at 10k volts. And if it's hit by lighting, you're done so stay with the 10k volts. Beverly said whatever PECO puts into the line for distribution it fluctuates and you can see that in your own home. Steve said they state that they are allowed 10% over or under, either way. Beverly said you can see it in your home when someone crashes into a pole on Rt. 1 and it goes bam and blows out all your surge protection. That's why you have it. It's a form of insurance.

MOTION BY JOHN STRATZ TO CONTINUE TO ORDER WITH THE RSLPP PROGRAM TO ORDER OUT COBRA HEADS WITH 10K VOLT SURGE PROTECTION AND NOT INCREASE TO 20K FOR THE EXTRA \$1,500.00. SECONDED BY LAURA GERMAIN. All ayes, motion carried.

### New Business

Beverly asked Ben Hauser what the solvency fee was. Mike Smith said they must be low on funds. Ben said from time to time this council gets a request for relief from charges. It received one very recently with respect to a person who was employed in Langhorne Manor and who is no longer employed. The council would be eligible to request that relief from charges, it must pay a full solvency fee. Basically, it comes under some gross determination of wages for the entire borough for fiscal year 2019. It has a solvency rate of 18 ten thousandths which amounts to a mathematical total amount of \$790.23. Basically, this allows you to request relief from charges later from benefits that may take affect in 2020. The date for action on this document is 12/4. Beverly said she would like to table this motion.

MOTION BY LAURA GERMAIN TO TABLE PAYING THE 2020 SOLVENCY FEE OF \$790.23 FOR RELIEF FROM CHARGES TO THE PA OFFICE OF UNEMPLOYMENT COMPENSATION TAX SERVICES UNTIL THE NEXT MEETING. SECONDED BY JOHN STRATZ. All ayes, motion carried. Ben said he would look into it. Beverly said she has never heard of this in all her years of dealing with unemployment.

MOTION BY MARK MOFFA TO PAY YOUNG'S TREE SERVICE \$3,800.00 FOR TADDEI WOODS INVOICES. Beverly explained that this was the dead ash trash on the resident's property and on the lines and it was Joe Dudash's recommendation that it was a public safety hazard to the overhead wires. And if it was going to fall on somebody or their house, we had to take care of it because it is a public safety issue. SECONDED BY JOHN STRATZ. All ayes, motion carried.

Barbara Heffelfinger said regarding Taddei Woods, she was not given any direction about the new program that's coming out for the PECO Green Region. They have come up with a bonus round that requires no resolution, no match and they can apply to see if they can get more money. First she thought about just putting in for the same thing that she put in for before and then we got a letter from the Bucks County Planning Commission said they thought it was for planting trees. She wanted to know where we would plant trees. She said not in Taddei Woods. Not now. She would like some direction on where you would like this to go. Would they like her to just resubmit what she's already done and explain that we have a major problem and that we actually need more money to do what we need to do. The bonus is another \$10,000.00. She asked how they would like her to handle this. Beverly said she votes for anything that can help them clean up all the dead stuff in Taddei Woods. Carol can go in and get that Delaware Valley College student to give us a topographical map of the place so they can find where the high area is so they can figure out where the water is flowing and get it out of there. Barbara said so resubmit for the same thing. Beverly said yes. It is Taddei beautification. Barbara said it is their 15th year so they are giving out a bonus.

Beverly said the next item is to purchase a new sound system. To remind everybody, they have almost \$10,400.00 left over from the RDA to use by December 31st. They also have \$12,000.00 that they were refunded as part of the old Park Ave. beautification project. It was money they were owed that they finally refunded. They decided as a council to try to see what they could do about this sound system. The person who championed for it is not here. Sam Simon complained bitterly that he could not hear. She presented council with three proposals for three different companies. This was an education for her because the company she was going to go with originally ended up not to be the one after she was educated in equipment and sound quality. There are three quotes in front of you. All Systems from Hatboro which Joe Dudash got. They are a local company and they are the most cooperative in wanting to work with us. Every equipment change that we asked them for was not a problem. The equipment

they are giving us, Mr. Stratz can attest to, particularly the microphones and some of the other stuff is what we want. We want to do this once and not do it again. The second was from RX Music in Chicago which was recommended by a local person but they have a local office. They were highly recommended but they want to do it in phases with some equipment that wasn't that hot at a total of \$25,836.00. The third company is Clear Sound of Yeadon which came in at \$15,414.00. These other two company's quotes went up when customization started. Requests for feedback control and stuff like that all started coming in. These companies did not respond to their requests for customization. All Systems in Hatboro has the equipment that we want, the brand of equipment which we want which is Shore microphones which are probably the premier ones for audio not for singing or music. Her recommendation to council, if you look through the documents, is that we use the RDA funds and a portion of the refund from the Park Ave. Beautification project to go with All Systems of Hatboro with their proposal to do a new audio system in borough hall. Ben Hauser asked how many attempts the borough made to reach out to Clear Sound of Yeadon. Beverly said she knows of two or three phone calls but she can't say if they are documented. Ben asked how responsive they were to the borough otherwise. Beverly said they came out to meet with Mr. Dudash for the first time to give him the quote back in August. Ben asked if the borough took some sort of notes or documentation of Yeadon's non-responsiveness to the borough's questions. Beverly said it was verbal. She does not have anything decipherable at this moment to give on the attempts to be in contact with them. Ben asked it was fair to say that a number of attempts for additional equipment that might be comparable to the other bidders was made and not responded to. Beverly said that was correct. John Stratz said the Hatboro people, the charges were \$18,000.00 plus sales tax. Beverly said she already took care of that. Their microphones say Shore Brothers. In the music stores they just say Shore. He wanted to make sure like you don't go to a website that looks like what you want if it is a little off. Shore Brothers is not what they are usually known as. Beverly said the model numbers are verified that they are Shore microphones. John asked what customizations they were asking for that Yeadon didn't give us. Beverly said they wanted to put in eight 4 1/2" ceiling mount loudspeakers and for this space it was felt that that was absolutely unnecessary. They wanted to do 10 gooseneck microphones, corded, and we actually need more than that. And they wanted to do a wireless handheld transmitter, that, with the RF's in this area, we will be running the risk of interference and also anybody with a scanner, will be able to pick up anything coming off of a hot mic, especially if we leave one open during an executive session. Ben said that Yeadon did not conform to the borough's requests, correct? Beverly said yes, the borough requested customization in the original quote to include some items that they felt they would be needing to do this upgrade, particularly as far as security is concerned and cabinetry to keep everything secure so that it doesn't walk away. John asked if Yeadon was going to give them a cabinet. Beverly said they were but we needed them to customize with the feedback control unit. John said as you see in front of you, all good amplifiers come with a feedback preventer. This one is old so evidently, it's not as good as doing it but it does have it. Beverly said it's 40 years old. Let's get something for the next 40 years. Clear Sound does not spell out that it has the capability of plugging in some kind of recording device, directly into the unit to replace that. John said 16 gigabyte cards. Beverly asked by a card? This one has a USB mountable recording device with interconnect cabling which we hope will get a clearer sound other than an SD card to take it right into a computer. Plug it in and let the dragon software do all of the notes. John said today's recording on SD cards is amazing. Most of the home recording industries do not use the 16-gig card as the standard. Beverly said we can go back and try to connect with Clear Sound again. But the problem is we will lose the \$10,400.00 of the money to fund the project if we don't have it bought and installed by December 31st. She's not trying to win. She's trying to get the best possible thing that they can get for the money that we don't have to spend of taxpayer dollars. Ben Hauser said the borough has made a number of attempts to reach out to Clear Sound and

Yeadon and the borough has received no reply. Mark Moffa said Shore Brothers was officially renamed Shore Incorporated in 1999. Beverly said this is RDA grant funds so we do have three valid quotes. They are not required since it is the terms and conditions of the grant that we are not required to take the lowest reasonable quote. Ben said the lowest bidder did not respond to the borough is reason enough. By the fact that how much this quote went up with all of the customization from what it was originally, it went up several thousand dollars for each of the two. John asked, regarding work sessions and sounds needed on the other tables, he's guessing they are mounting these here. Beverly said you will be here and part of the installation process. John said he just wants them to take into consideration that he needs dedicated sound over there at work sessions. Beverly said it was her argument from day one to have wireless microphones. They were shown places in the room that needs audio and she was talked out of it for very good reasons. First and foremost is we want to keep it here and secondly, who wants to sit and change all the batteries out every session and put them in the charger. They are all wired and the sound quality is better. Laura Germain asked if they were aware of the time constraints. Beverly said they are. Laura said they sometimes have events here and would like to use the equipment. Beverly said absolutely.

Steve Lowe said he heard them say cabinets and wanted to know how many components they were talking about or if they were in a cabinet. In a cabinet there is usually heat. He doesn't know if it was in the quote for fan control, heat control, thermostats, fans for cooling. He would ask the question about amp draw. How many amps are you talking about? If it's a 120-amp circuit, how many components are you plugging in there? A regular receptacle is two plugs. Do you need four, do you need eight? Do you need two circuits? He would definitely put them on a surge protection device. That may need to be added to your total. Beverly said that was all part of the schematics. Mark asked what the amounts of money available. Beverly said \$10,400.00 in RDA funds and \$12,000.00 from the leftover Park Ave. funds. Mark said so it's \$22,400.00 and this bid is \$19,671.00. This is the cost of the system, the microphones, all of the speakers and add-ons which was the feedback suppression system, the cabling, the rack with the mountable USB recording device and the inline microphone kill switch.

MOTION BY MARK MOFFA TO AWARD THE CONTRACT TO ALL SYSTEMS IN AN AMOUNT NOT TO EXCEED \$19,671.00 PER THE SPECS LAID OUT IN THE PROPOSAL. SECONDED BY BARBARA HEFFELFINGER. John Stratz asked if they were sure we weren't getting 1998 microphones from Shore Brothers. Mark said he typed in the model number and it is the current Shore, not Shore Brothers model. All ayes, motion carried.

#### Persons to be heard

Steve Lowe, 409 Cynthia Ave., asked if he heard them say the budget was passed. Beverly said it is not.

Mark Moffa said because the budget was introduced on November 13th and was published today and they have a 30-day requirement to allow that to be publicly available, they would not be able to vote on it at the December 16th work session so they are moving that meeting. The December 16th meeting will be cancelled and, in its place, they will be holding the meeting two days later on Wednesday, December 18th at 7:30 p.m. which will be both the regular work session and also for the purpose of adopting the budget. Beverly said they have to make sure they do the refuse resolution and any other order of business on that day.

MOTION BY BARBARA HEFFELFINGER TO ADJOURN. SECONDED BY JOHN STRATZ.  
All ayes, motion carried.

Submitted by: \_\_\_\_\_  
Marie Serota, Secretary/Treasurer