

Penndel Borough Council Work Session
Via Zoom Communications

August 17, 2020

Council President Barbara Heffelfinger called the meeting via Zoom Communications to order at 7:30 p.m. with the Pledge of Allegiance.

Present at the meeting via Zoom Communications

Mayor Robert Winkler
Council President Barbara Heffelfinger
Council Vice President Beverly Wolfe
Councilman Gary Nickerson
Councilman Mark Moffa
Councilman John Stratz
Councilman Joe Dudash
Councilwoman Laura Germain

Also present via Zoom Communications

Ben Hauser, Solicitor, Hill Wallack
Carol Schuehler, Value Engineering
Mike Italia, Barry Isett & Associates
Marie Serota, Secretary/Treasurer

Mark Moffa read his statement as follows:

Tonight is a big night in Penndel. We've advertised public hearings on an earned income tax and we're creating the position of a borough manager. And we will vote on these tonight. This has been a years-long journey. Before I introduce Joe and Jayson from Keystone Collections, I want to provide background on how we got to where we are today.

When I moved here a few years ago, and started attending Borough Council meetings, literally the first question I had about Penndel was, "Who runs this town?" After more than two years on council, the same question still looms large, like an elephant in this Zoom room.

Some think the mayor runs this borough. He might. But of course, by law, he just runs the police department.

Some think our secretaries run the borough. Logistically, of course they do, but ultimately, they're not in positions of authority and are simply carrying out the direction of Borough Council.

So, ultimately, it's the Borough Council President who runs the town. It's a position that changes relatively often, based on our election cycles. It's a position that's being asked to oversee all of the day-to-day operations of a multi-million-dollar organization. Yet this person is essentially a volunteer, and often will end up being someone who has a full-time job elsewhere. We just saw our council president step down last meeting because the duties were too overwhelming. And truly, even for Barbara, who is retired and has more time to give, I think she's already sensing some of the overwhelm.

Imagine, however, if the Council President had a person in a position of authority whom she could delegate most things to, who would take her direction and run with it, reporting back and

checking in regularly. We would have a real manager for this organization. We'd have an element of consistent leadership — a steady hand who would maintain stability throughout transitions in council leadership.

And it's not just the president who is overwhelmed with running the town. It's all of council. I understand it was different many decades ago, and so I hear the stories of how council members literally did all of the things themselves. I know that many of you grew up in 1960s Penndel. But things have changed. Like it or not, council members and the mayor should no longer be out doing all of the things themselves. And regardless, most of us can't be. What we have now is a ragtag group of volunteers running around trying to do all kinds of things on the side for the borough while holding down other jobs and familial responsibilities.

Instead of a council member without streets and sewer knowledge trying to work with our engineer on complex issues, we should have a manager who can liaise and report to the committee chairs for direction. Instead of a council member without experience structuring municipal trash contracts trying to figure out how to deal with a trash customer who wants to change his service, a manager should liaise with all necessary parties and then report to the committee chairs for direction. Instead of a council member without municipal budgeting experience trying to plan for millions in revenues and expenses, a manager should be serving as finance director, and reporting to the committee chairs for direction. The list goes on and on. It's why most municipalities have managers. It's not because council members are lazy — it's because it's simply a more efficient way to run a town.

I know for a fact that we spend unnecessarily on engineering and legal fees in this borough, because in the absence of a manager, the Council President is forced to rely too heavily on these two professionals. Carol and Ben are always answering the call when needed, but we would save on their expenses if we had a manager. We don't need to be paying engineering fees to write grants. And we don't need to be paying legal fees to research how to apply for new debt. But right now, we are. Because we don't have a manager.

The Borough Manager is also a key cog in the most important issue this town is facing right now — the revitalization of our Business Route 1 corridor. To attract development to this area, we need four things: a zoning overhaul (which is done already); a LERTA (which stands for Local Economic Revitalization Tax Assistance), which is a program that provides important tax incentives; a Borough Manager who would be a professional face for the economic redevelopment of Penndel; and more revenues to fund these efforts, thus the Earned Income Tax. We've already passed the new zoning. And tonight, two of the three remaining elements are on the agenda.

So, ok, many of us realize that a borough manager is needed. Therefore, the \$100,000 question is, how do we pay for this person?

So, this is what we did. We resurrected the defunct Long-Range Finance committee last year and began discussing the implementation of an Earned Income Tax. This bipartisan group brought in Keystone Collections for a presentation just like the one we are about to get, explaining how many of our residents are paying this tax already to other municipalities, and how doing this would allow us to keep much of our residents' money right here in Penndel. The group had robust discussions and worked hard to come up with a unanimous recommendation to the council, that an Earned Income Tax of 0.5% be implemented, in conjunction with hiring a borough manager and reducing property taxes.

Keystone then appeared before council in November, making another presentation, with more detailed data, answering questions from the council and the public. At this time, Council started discussing whether it made more sense to implement at the full 1% that is allowed, to keep up with what other towns are doing and not allow hundreds of thousands of dollars of our residents' money to continue to flow out of Penn del. But it was too late to implement it for 2020, so Council said there would be another public hearing this year, where we would ask Keystone to come out again, before voting to implement the Earned Income Tax in 2021. We advertised this on our Sewer and Trash bills, we advertised this in our newsletter, and we sent notices to the apartment dwellers. Tonight is the hearing.

So, without further ado, Joe and Jayson, if you could introduce yourselves and perhaps tell the residents and business owners of Penn del a little more about what an Earned Income Tax would mean for them?

Presentation by Keystone Collections Group, Joseph W Lazzaro and Jayson J. Lawson.

MOTION BY MARK MOFFA TO ADOPT ORDINANCE #2020-2 AMENDING CHEAPTER 368 – “TAXATION” TO CREATE A NEW ARTICLE VII – “EARNED INCOME AND NET PROFITS TAX,” TO PROVIDE FOR AN EARNED INCOME AND NET PROFITS TAX. SECONDED BY GARY NICKERSON.

Ben Hauser said he had a couple of housekeeping items to read into the record. Ben asked Marie Serota if she received an affidavit from the Bucks County Courier Times authenticating and confirming the fact that the borough's notice of intent to adopt an earned income tax was placed in the paper for three successive weeks on July 24th, July 31st and August 7th. Marie said yes. Ben made that exhibit B1 and said to have that attached to the minutes. Ben asked Marie if she also received an affidavit from the Bucks County Courier Times advertising the notice of this ordinance and hearing tonight. Marie said yes, on August 7th. Ben asked that it be attached to the minutes as exhibit B2. Ben said he gave Marie the letter from Barbara Morris of the Bucks County law library attesting to the fact that the draft ordinance was filed with the law library on August 3rd as required by the borough code and Marie said yes she received it. It was marked as exhibit B3. Ben asked Marie if the ordinance was placed in the rear vestibule of borough hall. Marie said yes, on July 24th. He asked if it was placed on the website and Marie said yes.

Mark Moffa said the procedure for comments would be council questions first and then whether they have questions for him or for Keystone. When they get to public comment they are not going to have back and forth. It's not a debate. Every person gets three minutes and if anyone has questions he will write the questions down and then after everyone has had a chance to have their three minutes, he will answer the questions or if the question is more appropriate for Keystone to answer, they will let them answer. Beverly Wolfe said she made a list of everybody in this room and she assigned each one a number so she can identify them. They will call on everybody. Mark said there are a lot of people who may have never attended a borough council meeting so they will need to state their name and address. Some municipalities limit public comment just to residents, business owners or those who own property. He doesn't think they should have a test for people and if people want to talk, they should just let them talk. But they are obviously most interested in hearing from the residents and property owners in the borough.

Gary Nickerson read his statement as follows:

Hello, this is Council Member Gary Nickerson. Thank you Joe and Jayson from Keystone for making this presentation tonight. This is a complicated subject and I know that there is a lot of

misinformation out there. Just so residents are aware, we advertised this ordinance in the newspaper as required by law. We put a note on the sewer bill and we also included a note on the Brough newsletter that went out a few weeks ago. The topic of an EIT has been around since last fall, so this has been something that the council has an interest in examining and not trying to hide.

So, why do we need an EIT?

To me, this earned income tax is needed for one reason. It's to pay for a Borough Manager. Currently, unlike almost every other town and borough in the state of Pennsylvania, our Borough does not have a Borough Manager. I have no idea why we have never had one, but if you look at our town and question why developers have overlooked us and why we haven't had any significant development projects in years. You can clearly see the cost of not having a borough Manager. Ask yourself, what was the last major development project we've had in Penn del?

So, what would a borough manager do? Start with the fact that they would likely have a degree in public administration or years of relevant management experience. They would carry out the day to day business of the town and would function as our Chief Executive officer. Some of the things they might do would be to implement councils directives, oversee our budget, supervise our employees, negotiate collective bargaining agreements, respond to residents questions, help update our outdated ordinances, research municipal programs and grant opportunities, help to oversee construction contracts, review insurance plans and issues, meet with developers. They could oversee long projects to their completion such as improvements to sewer system, and our ongoing revitalization efforts that might outlast current members of council. The list goes on and on. I truly believe that if we had a Borough Manager, it would save us the errors and mistakes that continue to surface in Penn del.

So, who is currently doing these jobs?

These jobs are currently being performed mostly by the Council President and the other 6 members of our council. For educational purposes, the Council President is elected by the 7 members of council. So, we are in a position where one job that should be performed by one full time person is actually being performed part time, mostly by 1 person with 6 others filling in the gaps. There are lots of reasons why this is troubling but the main problem with this is best illustrated by what happened at the last council meeting, where the Council President resigned from the Council President position because, if I could paraphrase, it's not possible to be Council President and have a full time job and she, like a lot of us on council, already have full time employment.

Why do we need it now?

Currently this council is trying to Revitalize our Route 1 district to have things in our town that we currently do not have. I'm talking about shops and bars and restaurants and mixed-use development and other exciting things. For those of you who are not aware, Borough Council just passed a major revision to our ordinances that would allow for these exciting new uses. Passing these changes to our laws was a 3-year process, but I believe that time was well spent. However, the revitalization efforts aren't complete. I believe that a Borough Manger is instrumental to achieving this goal. Developers will be unlikely to reach out if they don't know

who they are supposed to reach out to. Or, if they try to contact someone and they are tied up at work, or if the person they are talking to is not familiar with all of our rules and regulations. Basically, when a developer calls it's an audition for our town. Who do we want to pick up the phone? A full-time professional Borough Manager with years of experience and knowledgeable with our codes and ordinances, or the next person up who is Council President.

If you look at what a Borough Manager costs for even part time, it's over a 100 thousand dollars if you factor in benefits. There is no way to fund this position without this tax. So, when you start trying to figure out how to pay for this position, which I feel is necessary, you have very limited options. There are several reasons why an EIT should be examined.

1. Most of our residents are already paying an EIT, but these funds stay with the municipality where the business is located. Based on the information from Keystone, the vast majority of our residents are already paying an EIT to the municipality where they work. Our residents are basically subsidizing other municipalities. To make this clear, if you are currently paying an EIT all of that money is going to the town where you work. None of that money comes here, to where you actually live. If we enact an EIT, this money comes to Penn del.
2. This is a tax that will not hurt senior citizens living on retirement. EIT is not levied on retirement. So, if you are living off social security, a pension or 401k, this tax will not affect you.
3. If you are unemployed, EIT will not affect you. Similar to those on retirement, EIT is only levied against earned income. So, if you are currently unemployed, you do not have to pay the EIT on your unemployment benefits.

I've had a lot of time to consider this issue. I'm for this tax. I live here and I want my kids to grow up in a town that takes advantage of our walkable downtown, our train station and our small-town feel. I understand that for some of our residents who are not currently paying an Earned Income Tax, this is a new expense. I know what you are feeling. I am in your situation as I do not currently pay an EIT. However, as an elected member of this council, I have to do what I feel is best for our town which is why I think this is a necessary investment.

Gary asked Keystone how withholdings are being handled with so many folks currently working from home. Keystone said all of the tax officers got together recently at the Tax Officers Association and raised that issue including Keystone. Right now, the vast majority of employers are continuing to report their employees in the work location that they were under prior to the pandemic. The Department of Community and Economic Development that oversees this act statewide has followed that course up to this point and they asked them to give them a decision if they are to move the political subdivision code to the work place location to where the individual is really working right now or accept the information that's coming from the employer without changing it as a tax officer here. The DCED said they're going to make a ruling and he expects it to be out within the next 15-20 days so that all of the tax officers are on the same page. You can imagine the impact that this could have if Bucks County went one way and Montgomery County went a different way on the same issue. They want this to be standardized and uniform across the Commonwealth and each region as in Southeastern Pennsylvania. They asked the DCED to make a decision and let them know whatever it is. They're all going to live with it and follow it but right now they are waiting for that answer. This matter will be cleared

up well before the taxes are implemented. Gary said if they vote on this tonight, it doesn't take effect until 2021 so it will be cleared up by then.

John Stratz asked if this specific EIT is earmarked exclusively for the hiring of a borough manager. Mark said as far as the logistics of the collection of the tax and the disbursement of the tax, Keystone will put it wherever they want it, so to speak. Most towns put it in their general fund but if they wanted it to go into a different fund that they were to specify, then they would put it in that fund. There are a couple of ways they could handle it. If they wanted to specifically track where the money was going because they want to do certain things with it like a borough manager, then they could create a line item in the budget for those revenues and show that it's going to certain things such as to pay the manager and to build up a fund to beautify the downtown to do things that would attract nice development there, or for reducing property taxes. They could show the money coming in there and going out. There are any number of ways they could do that and it's up to council to decide how to deal with that. John asked if there was a shortfall in projects like the lighting at the rec field or sewer projects. Would the money from that tax be able to be put towards those. Mark said yes.

Joe Dudash said he had some questions from the residents. He asked if there is a \$12,000.00 limit on income so that it can't hit on somebody like kids that are working. Keystone said that would be up to council and can be amended. It's up to council that they can enact, as part of the tax, a low income exemption where \$12,000.00, or it could be anything lower than that, but up to \$12,000.00, that if anybody would earn that limit or less, would not be responsible for payment of the tax. Some communities have set it even lower like \$10,000.00 or \$6,000.00 where they don't want summer jobs to be pulled into it so they set it even lower but the state still treats it as a uniform, constitutionally sound tax if in fact the up to \$12,000.00 you exclude from being subject to the tax. Joe asked if that would be up to council and Keystone said yes. Joe said he heard that for not paying, there is a penalty. Jason said he oversees Keystone's delinquent earned income tax division. Under the current law, interest accrues and he believes they changed the percent this year, whatever the states says, and accrues if they are in a 30 day timeframe if they don't rectify the situation either by paying the tax that's due or submitting documentation to show they owe. You could have someone that works in Philadelphia and does not owe Pennel any money but if they don't file a final return, it could appear initially that they may owe the tax so a lot of the time it's just a matter of reconciling through the proper tax filing. After 30 days if these situations are ignored, the statutory penalty of 1% begins to accrue on it as well. That is capped at 15% per the Act 511 as amended by Act 32. There are costs of collection as well pursuant to the law and that's been part of the law for the last 16 years and those funds come to Keystone and that's normally about a 10% charge and that allows them to collect the delinquent tax at a delinquent stage at zero percent commission. Once it's a delinquent tax, all the tax and all the interest in any penalty after that first 30 days would come back to the borough. Joe asked how they calculate it. Keystone said they obtain data from the State Department of Revenue and you follow PA 40 on that and you put that 6 digit PSD code in and they give them the entire grouping of every community that they are the tax officer for and they do a cross reference of those records with the local filings. For an example, if they have a resident that earns \$50,000.00 and they filed with the state for \$50,000.00, they pay the state tax but say maybe they had two jobs and maybe they only paid on the one job which is \$25,000.00 to Keystone. When that reconciliation happens they will see that they had \$50,000.00 in earnings but they only reported \$25,000.00 so that will not reconcile to zero and they will get a letter from them to start the process and invite them to give documentation and that's how they go about finding that information. That's how every tax officer in the commonwealth does this. It's handled by Act 32 and is a pretty uniform process. Joe asked if federal employees would be taxed. Keystone said yes. Sometimes they've had some

situations where federal employers in certain divisions within the federal government are not the best with withholding the tax initially and sometimes, especially the Postal Service. Sometimes in those situations, those individuals may have to file on a quarterly basis but if you have earnings and even if you work for the federal government, you're no different than everybody else and you have to pay the tax just like everybody else. Joe asked if a contractor comes to work in the town of Penndel, does that individual have to pay any EIT. Keystone said not if they come in and do a kitchen and leave. If they come in and do a massive construction project and plop down a trailer for over 90 days, then there is a requirement that they pay the tax which is the nonresident tax unless they were a resident of the community as well but in that scenario which you're saying somebody coming in from the outside to work for a period of time, it would be nonresident tax. Joe asked about tips. Keystone said waitress tips follow the PA 40 return and what is reported there will be the same for the local. Joe asked about union strike benefits. Keystone said they don't believe so. Joe said it almost sounds like unemployment. Joe asked if ministers have to pay tax. Keystone said yes but they don't have to pay the tax on the housing allowance that the minister receives. Joe asked about a tax credit and how it works. He asked if there is any tax credit around for children and families. Keystone said no, it's not similar to the federal. There's no credit for children under the local tax enabling act. Joe asked what about children's disabilities. Keystone said there are really no deductions of that kind that would follow those scenarios. It's basically the type of the earning itself, not other factors that go into that whether it's taxable or not. It's not like they have a deduction section. Joe said to Mark Moffa that he heard him say tonight that as far as with the EIT, money coming in percentagewise, is that Mark is saying he's going to make a contract with Penndel, to give a percentage to homeowners for reduced property taxes once they get started rolling here. Mark said his promise is a property tax reduction in this next budget. Joe said so he can mark that down in his book tonight for history that contract with Penndel. Mark said yes. Joe said and Mark will fight for it if they should go haywire with his council or later down the road or future councils or whatever. Mark said yes. Joe said if they enacted this tonight and they all get voted out next year or they decide they revitalize and it's moving good, can they at any time stop this and say take it off the books. Mark said it's probably a better question for Keystone and he doesn't know if anyone's ever done that. Keystone said the borough controls their tax ordinance and what the state did was enable them to enact it up to 1%. The borough doesn't have to use that enablement and it's up to every council going forward. Mark said he thinks it would make more sense that if they had a good deal of money coming in and they wanted to give more back to the residents, it would make sense to continue to reduce the property taxes further. Joe said he thinks whatever they do here tonight as far as with the \$12,000.00 annual income and as far as with students and college kids, he thinks they should do whatever they have to do. The ordinance is not at that language. They would not be able to pass it tonight without that language in it. They would have to re-advertise. Mark said there are reasons and they did actually discuss that with Keystone and the Long-Range Finance Committee and it gets a little tricky when you try to do the exemption. Keystone said it gets tricky for the employers. They would not be tracking it or have the ability to do that. They don't know for sure what somebody's going to make or earn or if they have two other jobs. They don't know if the person who's working for them if their income is going to be higher than what they are paying and that is withheld like everybody else's is withheld. Then they get a refund when they did their final return and they were under the amount because they see the individual and they know the ordinance and they get it they're entitled to a refund. That's really the process by which it works, for all the tax officers all over Pennsylvania and very few have that kind of exemption because it ends up being more problematic than not for the local services rather than the EIT. Mark asked if they as the borough need additional information about our resident's income in order to process that to them. Keystone said they would know that information after the first year of running that tax and that may be something they want to implement a year from now.

Mark said they could in the future decide to carve that out if they want it and Keystone said absolutely, anytime. Mark said how an exemption like that works, for the \$12,000.00 exemption, if he makes \$12,000.00 and zero cents, he's exempt. If he makes 12,001.00, he pays 1% tax on the \$1.00 above the \$12,000.00. Keystone said yes. Joe asked about military. Keystone said that's changed in the last 12 to 24 months. It used to be exempt only if active duty outside of Pennsylvania and now within Pennsylvania but it has to be active duty. Joe asked if there was anything under emergency personnel or was it just military. Keystone said just the military personnel. For emergency personnel and firefighters, they can grant them a refund. Council can consider something like that down the road, a refund from the EIT to volunteer only firefighters and emergency personnel. Some municipalities, and it's become kind of rare, but they give every volunteer, a \$100.00 credit back or a \$100.00 bonus out of the EIT fund. Joe said he thinks he heard Middletown does that. Keystone said Bensalem has done it. Joe said that would be another thing council would have to do. Keystone said that's right, it's not automatic. Joe said his understanding when this money comes in 2021 and he's been reading up what other towns have done, it seems like you don't get a shock of money right away. It seems like it comes in dribbles for the first year and then gradually starts to increase. He asked if that is normal. Keystone said yes because you pass it and it starts in January and because employers only file in almost every case, quarterly. January, February and March will be filed in April for the first quarter and then you're going to start seeing the funds in the beginning of May. April, May and June will be the second quarter so that will be filed in July. Once it's coming in on a steady basis and more and more employers are starting to the report file monthly and electronically it picks up speed, but the requirement is to file 30 days after the end of each quarter. That is the obligation of every business in Pennsylvania. For instance, Sunoco is in every County in Pennsylvania as a multi county employer. They can in fact file monthly and they must file electronically. Why would they want to do that? Because instead of filing with all the tax officers in these counties, they can pick one tax officer and send everything to Keystone. The Commonwealth of Pennsylvania is a perfect example. They represent Dauphin County and Harrisburg is based there and state police file through Keystone even though they are all over the state. For all legislative employees, departments of the state, they file through Keystone because it's up to them representing Dauphin County to shift those funds out to all the jurisdictions where they go to get them to the other tax officers to get them to the 18 counties they represent directly. Those funds move a lot faster and as businesses decide to file monthly and 99% with Keystone are filing electronically because it is just so easy and funds start moving fast. In that first quarter for the first time, it seems like it's slow. The funds are there but they don't come until the employer turns them over to them. They can turn them around usually in one to two days when they receive those funds from ADP. The whole state turns them around and turns them out to the municipalities really rapidly. You will get distributions every week from that point forward. Joe asked Keystone is there a fee to pay them. Keystone said that's actually done through the Bucks County tax collection committee. It's a 1% tax and then 1.34% of the 1% is how small it is. It is the operating cost to manage all the accounts. Delinquent is zero. If someone doesn't pay in the current year, the delinquent rate is set at zero and if action has to happen to chase anybody down whether it be a business who withheld the tax but didn't turn it over or an individual who is responsible for filing and just refuses to pay the 1% tax, they are responsible for any costs that are involved. Joe said he would like to hear the resident's comments and he would save his statement for after that. Mark Moffa said they will go through council first, the public and then address the public's questions and then at that point it would be time for the vote. He thinks it would be appropriate for each of the council members to have another opportunity to comment at that time.

Laura Germain said she's had people tell her they are unsure if they pay the tax how and where specifically to find it especially if they have contract work or if they work in a different state on

their paychecks. They weren't able to find it so are there alternate names on the paycheck or is there a way to find it. Keystone said they look at W-2's all day and there are different ways they are listed and unfortunately sometimes it's maybe not the clearest. Hopefully, employers use a software or payroll provider that will list it in a clear manner. It is identified on the W-2 and you have to go to the box and it may be 1% or .5% and you will know it right away because it looks very different from all the other withholdings. The other withholdings are substantially higher. It could be a little misleading on the paystub. When you get to the end of the year there is a specified box for the withholding. Laura said if people are unsure, they should look at their W-2. They can also go to their HR department to go over it with them. Laura said to Gary and Mark that she knows they had the bipartisan committee recommend this and they had the presentation from Keystone last year. She was wondering if there was discussion last year but she was also wondering if there was discussion by the Long Range Finance Committee that because of the pandemic, maybe this isn't the right path for them even though Mark gave some really compelling reasons. She wanted to know if they discussed this again after the changed circumstances. Gary Nickerson said they spent all of last year looking at cost saving measures and the EIT was a major thing they looked at and they made the recommendation and then Mark took that to council. When he was elected to council this year, they thought that was a done deal. He was asking everyone on council for topics for them to examine and what they came up with was a LERTA. So, they haven't really talked about it. There are some members that are opposed to it, but they primarily spend most of their efforts discussing LERTA.

Beverly Wolfe told Laura if she needs it, she has a redacted copy of her paycheck that she's willing to make a copy of and share which shows how they say it on her stub and it's kind of hard to identify if you don't know what you're looking at. Hers says Southampton T Local and she pays two taxes to Upper Southampton so if she needs that to show somebody she's happy to share it. Beverly said she was too busy writing names down and apologized and asked if they identified or estimated the number of residents, business owners etc. in the Borough of Pennel who do not pay this tax at present and who will be. Mark said from recent data that they had on the number of residents that pay currently in two jurisdictions in which Keystone is the collecting agency was around 700 and their exact number was 695 to be precise. He took that, and this is just basic math, and he's looking at the population of the borough and he rounded up actually to 2,200 and our last number was 21 something he thinks. Looking at the last available census data which is 10 years old, the best we have is we're looking at about 21 to 22% of our population is under 18. It was 21.4% to be exact. We were looking at 13.2% to be senior citizens 65 or older using that 695 person number that he just stated. That would be 32.2% of our people paying in two jurisdictions in which Keystone is the collecting agency already. Those paying the tax already and then we had a net they used and an estimate of 13 1/2% for Philadelphia. Keystone's estimate was somewhere between 10 and 17 so he just split it down the middle. If you add those figures up, that's 80.3% of the people who either pay already to Philadelphia or to Keystone jurisdictions and the senior citizens most likely on retirement and/or are under 18, that's 80.3% of the people. Then you have to add to that 80.3% the folks from Montgomery County and they did ask Keystone about Montgomery County numbers and they said Berkheimer is the agency there and they have no obligation to divulge that data and they have to get permission from all of their collecting towns to divulge it. It's not an easy number to get and they don't have to give it up so we don't know the Montgomery County numbers. The resident who chaired the Long Range Finance last year is one who pays Montgomery County and we all know a lot of people who work in Montgomery County but we don't know that number but that gets added to the 80 percent. Then if you're on unemployment you're not paying anything. If you are solely on public assistance, you're not paying the EIT so just doing some quick math, it would seem that less than 10 % of Pennel residents would be impacted by this as a new tax. A conservative projection of 10% would seem to be the highest

it could be looking at those numbers. Beverly asked how many persons 10% is. Mark said for the amount of people in Penndel he would say 210 people as a maximum estimate and he is one of them and so is Gary who would be newly paying this tax.

Barbara Heffelfinger said she thought this ordinance should be rewritten to include a \$12,000.00 exemption. They had talked about this many, many years ago when Keystone came in. There was one person in particular who had a disabled child who was working and she asked if her daughter was going to have to pay that tax because she makes less than \$12,000.00 so that's where the \$12,000.00 came in but she thinks that's a fair exemption.

Beverly asked Mark if he would run the three minute timer because she is going to try to do her best to go through this list which she had to run Excel and it's 3 pages long identifying everybody. Mark said as a reminder, they are going to listen to the comments for three minutes and he will write down the questions and then after everyone has their three minutes, they will address appropriate questions. That is how that's going to work.

Donna Caracappa, 133 Joyce Ave., said as the tax collector for Penndel Borough she would have to say that the tax base has been stagnant for the 30 years that she's been the tax collector. She will also be one of the people that doesn't pay it now so it'll be another \$500.00 or \$600.00 that she will have to pay but she feels that for the borough to get out of the slump it's in, they need money and a borough manager is a fantastic idea for the borough and it will just take the borough to new heights and she is in favor of the EIT.

Mike Smith, 127 Dehaven Ave., said the term taxation applies to all types of involuntary levies and he's not volunteering any of his money. He doesn't know about anybody else on here but needs to ask a question. He said you're telling us that you're going to get \$430,000.00 from this. That's basically more than our real estate taxes are now so before you go hiring a borough manager maybe, and he knows this isn't going to hit everybody the right way, maybe we should reduce some of the employees that we have and the reason he's saying that is because there is Langhorne Borough that runs with half of our budget and they have one or two part time employees that he's aware of. Penndel's taxes are high but by the time they are done tonight and he says tonight because it's already a given that they are going to do it, Penndel is going to be the number one taxed community in Bucks County. John Stratz at the one meeting said that his wife works in Yardley and pays at the Middletown Township. John Stratz said that was completely not true. It can't be because Yardley Borough does not have an earned income tax. John said that he said he pays Middletown. Mike said they need to have an in-person meeting and not Zoom because they cannot see the faces of most people that are on here and it needs to happen before they make this vote. They have to have a meeting in person at the rec field with 10 feet in between people or whatever it may be but as most of us know and he's sure you've been reading this, most already know it's a done deal. You guys already had this done in your minds and he wants to say one last thing and then he wants to give his remaining time to Mike Sodano when he comes up. The Long-Range Finance Committee that recommended this to them recommended a half a percent, lowering the real estate taxes by 25% and removing an employee along with hiring the borough manager. That's what was reported and that's what everybody signed on for.

Lloyd Patton, 421 Neshaminy St., in the 2018 tax millage rate, he finds that Penndel is 30.8 which is the third highest in Bucks County out of 54 municipalities. It's a wonderful thing that you want to develop Route 1 but it's a pipe dream. You had the Enterprise Project and his favorite, the Renaissance Project. He has been asking council for an audit of all the funds to see where they stand before they go in and enact an EIT. They missed a golden opportunity to

reduce the budget by hundreds of thousands of dollars with the Middletown police coming in and offering their services but that was a fiasco. They lost Wawa. Do you have any idea how much property tax that would've come in and the sales tax and the fuel tax? But because one member of the Democratic Party on council didn't want it because he wanted to maintain his parking lot for the Coffee Cup Café, he told him that it was a traffic problem and now we got a trucking company and you can imagine the safety problems with the traffic. The only thing that Penn del attracts is thrift stores, fortunetellers and vape shops. Look at the empty and old buildings. Penn del will never be a Newtown or a Langhorne Borough. It's a shame we don't know where we stand and you are going to enact this tax on the backs of the handicapped, disabled and mentally disabled like last time and that's what killed it. He's sorry but you know this is where we stand, and you squander money and have no idea where it goes.

Amanda Mieluch, 16 Oak Ave., said she is on the Long-Range Finance Committee. She is very much in support of this. She pays it every day. She is working out of her house and she's paying in Montgomery County to Horsham Township and she would rather her borough where she lives and pays her property taxes have the EIT come here. Unfortunately, we have the same issue that we had when it came to the police force and trying to keep them. There are people that are on this call tonight who do not normally attend council meetings. She hasn't been attending since they went online because of personal reasons but if you are not active in your community, you really do not have a right to say anything. There are comments about going to the polls and electing the officials at the polls. They have the opportunity every year and they're still electing the same people so we must not think they're doing too bad if we're keeping the same people on council. She is all for the EIT.

Jay Moser, 525 Hulmeville Ave., said he feels the same as most of the other citizens on this that it's a done deal. He really thinks over the years he's been in the borough there's been a lot of ways to lower spending and if Mark's word is true, even though it could change tomorrow, reducing property taxes is never going to happen. Penn del is the third highest and he reviewed that before he came on. He doesn't think it's going to go away and he wishes it would but he really thinks what needs to be looked at deep down inside which is what is wrong in the borough and maybe a manager is needed to change that structure. There is a lot of wasted spending internally and hopefully a manager can solve that. The Police Department thing he feels the same way some do and not the same way as others. He thinks the budget is the problem as well as everyone else, so if it can't be worked out, he guesses we have to live with the EIT.

Joe Adams, 327 Neshaminy St., said his grass is never cut and he walks a Greyhound. This is the first time he's attended a council meeting because he heard about the EIT. He's been consulting in local government for about 10 years now. On average he does towns with around \$30,000,000.00 to \$50,000,000.00 budgets. They will usually come into outsourcing departments and staffing. The budget estimates of \$100,000.00 for a part time employee including benefits are true because that would be a manager which is a huge waste of money. If we're talking about having to pay for an engineer \$300.00 an hour or \$300.00 an hour for a lawyer, we spend over 6 figures a year on outsourcing costs. He was able to take a department of local government, actually an entire local government in New Jersey, and optimize their process for about \$50,000.00 a year. If they're going to be spending 6 figures for a manager, they're not going to get a good one because they're not going to have a full department head and full of staff. They're not going to have an IT director. They're not going to have an engineering director. They're not going to have a public works guy. So, they're not going to get a good manager but what you're going to get is a highly trained administrative staff employee and it's fine. He understands that they need the help, but he does not think they have 40 hours a week worth of work. His main question to Mr. Moffa and he isn't going to be mean and say oh

we're going to re-elect people now because he truly believes this is going through whether or not he says anything. The question he'd like answered is there anyone outside of the six elected officials with municipal government experience that has done budgeting, accounting, financing, hiring of government employees because if not, he would love to see a citizen committee take a look at and evaluate an employee versus contract, versus outsourcing, versus other potentials as an option for what they could do with this money. He doesn't think it is a good thing. He would not like to live here with it but has there been any one with actual large or medium or small sized local government experience that says yeah, the best solution here is to spend 6 figures on a supervisory position to really move our government forward. The reason he says this is because he doesn't live here because there's a couple shops down the street. He lives here because it's within 45 minutes of work potential and for an elected a body to tell him that after he lost his job due to Covid, congratulations when you enter the workforce. We're going to take some of that money back. This is not putting faith for him in his elected officials, the elected body. This is not giving him that warm feeling of oh come on Joe we know you're struggling but we're here to help. This is well if you don't get an EIT we're going to raise your property tax because they want that employee. You really need to explore other options and that's why he wants to see citizens involved especially citizens who have started businesses or who have been in municipal government.

Linda Davis, 409 Walker Ave. said she is here with her husband Mark and they work in Montgomery County and they pay the tax, so they don't have an issue with it. Her question is when does this start. Mark Moffa said they will answer all questions at the end.

Tom Sodano, 126 W. Woodland Ave., said he had a few notes that he jotted down. First he finds it odd that you are going to be looking at a vote this evening when there was an awful lot of questions from council members that didn't sound like they were asking them rhetorically and didn't know the answer. He agrees with Barbara Heffelfinger that an exemption is a good idea but that's not in the language yet so then it can't be voted on. As far as the number of municipalities Mark talked about, a majority of them have a separate number for nonresidents and residents and a lot of them are at a lower rate. They should do a half a percent because you can always go up, but you start at the maximum number there's nowhere to go should it turn out that this isn't the answer to the problems. Someone made a comment that if you don't show up and participate you don't have a say. He disagrees strongly because he pays taxes and he darn well will have a say in what goes on in the borough he lives in because they are using his tax money. To the question of if you don't like it, vote. It's not going to do much good if you don't like the same people because in a borough that's close to 70% Democrat, it's pretty tough to get anybody else in there. And to Mr. Adams point of having someone with accounting background the answer is they actually did a few years ago but he was ousted because he was a Republican.

Carol & Robert Nowicki, 153 W. Woodland Ave., said that they are fairly new to the borough but to expand on what Joe Adams said, they already pay a half a percent to Middletown so another half a percent probably won't impact their lives that much. But hiring a manager, there's no guarantees that they're going to do the job and accomplish the goals. If Joe is correct in saying that what is budgeted for that person is kind of under budgeted for the quality of manager you would need to accomplish what you want to accomplish, he has concerns about who they get, what the hiring process is like and is this the right move.

Paul Siwek, 501 Rumpf Ave., said he's a new resident here. Probably four or five months and he's seen his taxes raised \$2,000.00 already on top of when he started here because they did their reassessment which is kind of insane, but he'll take that on the chin. He does work in

Philadelphia so it probably wouldn't affect him, but he also does invest in properties so that being in mind they would probably tax him on investments. If he is collecting rental income or doing some kind of property investment that would affect his income. He is an investor at times so if he were to have his side business investing in other properties, whatever income he will make over that they would hit him with that tax, correct? Mark said they would answer that at the end. He's been here a short time and his taxes have already been raised \$2,000.00. He got the letter last week which he really wasn't too happy about. That's an insane amount for only being here for five months and his taxes go up \$2,000.00. Another tax would seem to just put more fuel on the fire for him. His wife lost her job because of Covid.

Ryan Sorenson, 23 Oak Ave., said he thinks this tax is a great idea because about 90% of the people in the town are already paying it and the money is going to places other than Pennel. What's the downside for 90% of us? It's a great idea and this is a terrific tax if we're already paying it.

Terry McIntyre, 335 Hulmeville Ave., said during a pandemic, he can't imagine what your thought process is here. This is the appearance of taking advantage of a bad situation for everyone and he knows that you guys know that he feels the public is not getting their day in court at borough Hall. In his years on council if it taught him anything, it was his responsibility to look out for the finances health and welfare of Pennel and its residents all while trying to keep the taxes and the tax burden and financial burden down for the residents as low as possible. If you read the code, sections 1301 through 1316 on finance and taxation clearly discusses that as you go through the budget process or as he likes to call it, the spending plan for next year, you base any tax increases solely on the amount needed. Not that's the criteria you follow and not just that other towns are doing this. It is his understanding from the past meetings that we have sufficient balances in both the general fund in the sewer fund and that we are in better shape than most towns. Council also discussed looking into borrowing a large sum of money for projects since money is relatively cheap right now and borrowing this money would not greatly increase the budget for next year. He's having a hard time understanding why council is considering implementing the largest tax increase in Pennel's history right now. If you say you want to hire a borough manager and you're going with the borough code, you raise taxes accordingly. For example, \$100,000 for a manager, not four times the amount because you are not supposed to stockpile money. That's not in the code. It just unnecessarily burns the taxpayers, your neighbors, the residents and it is also business unfriendly. He spent some time talking the businesses and they're not happy. He's really not sure if they looked into other options for a borough manager. You currently have two very experienced and very qualified secretaries and like Mr. Adams said, either one of those secretaries could do it with a pay increase and therefore you'd be saving tens of thousands of dollars. Several towns including Morrisville, the code enforcement officer he believes is also the borough manager. He's seen this Keystone presentation several times and it's just another way of taxing to him and it's like putting lipstick on a pig. Unfortunately, it does not emphasize that for the rest of them. This new tax is very unfair. Balancing a budget and making cuts is difficult, very difficult, but it is their job. He hopes they are aware that young families are struggling in this town. Some people have two and three jobs and are going to be working overtime so they can pay the borough 1% of that as well. This is going to have an impact on property values as well. He would be curious to see how many of the council members would be financially affected by this EIT or paycheck tax, by drawing a pension or working out there where they're already being penalized so they should not be voting yes for this. In his opinion it's unethical. Misery loves company is not a section of borough code.

Bud Murphy, 91 Holly Ave., said we're losing a lot of money and we need to recover these funds so they can be used for the future in the development of Penndel. He thinks we probably do need a borough manager to promote development and accomplishment of the tasks that were spoken of early earlier by council members. Also, reduced property taxes would be a great addition and just in general anytime they could look for efficiencies in how the borough operates or how the budget is put together would also be appropriate. In closure, he is retired and he will not be responsible to pay this tax. He does have a rental property and whether or not he'd be responsible for the rental property or not is his question. If he is, that's fine but he does have family members who also live in Penndel and they will be responsible for the tax so it will affect the family.

Walt Butcher, 255 E. Lincoln Hwy., said he and his daughter live in Penndel but they are taxing them in Middletown for this local tax. He wants to know why they are taxing them in both townships.

Steve Lowe, 409 Cynthia Ave., said as he's stated in the past, he is against the EIT. He's a resident of Penndel and he works in Penndel. This tax increase for him and will be roughly \$550.00, 67% of his current Penndel tax that he already pays at this time. He was hoping that it would be a lot less than 1%. He feels as if this is probably a done deal, but he would really ask for a lot less than 1% if this is going to go through. In regard to services of Penndel, he believes he's heard the rough figure of 10% of the people in Penndel that don't pay this tax. He really doesn't like to bring this group up but it's the retirees that won't pay because of their Social Security and pensions and things of that nature and respectfully he doesn't think they should pay, however, they use the same services in the borough that he uses so he doesn't understand why his money, and he has to put probably 67% extra into the tax base and those individuals don't. He hopes the council members after this meeting get together and try to either lower this 1% to possibly a quarter percent and if not that they could possibly think about maybe a per capita tax, something like in the \$20.00 to \$25.00 range and start low.

Susan Scott, 425 Clarissa Ln., said that someone mentioned that if you would like to rewrite this to include a \$12,000.00 exemption, does that mean that the vote cannot occur tonight? And if we pay it, you're promising a real estate credit or lower real estate taxes. She doesn't know if she believes that 90% of the people are actually paying this somewhere else.

Jim Feeser, 621 Bellevue Ave., said the borough wastes so much money. He doesn't know if everybody is aware of this, but the Police Department has three police cars. The police chief is able to take one home so we're paying maintenance and insurance and everything on three police cars when they only use two. Sean is a very nice man, however the borough seems to waste so much money and they just want to tax us and it's just not fair. It's going to happen anyway, but you know it's just the way it is, and he just wanted people to know that.

Laura Germain read the comment that Mary Jo Holden, 567 Bellevue Ave. had in the chat due to audio problems. She works in Princeton and her husband works in Penndel and neither pays the EIT. She doesn't think council has a right to vote tonight when not everyone on council understands the tax and they don't know how the funds will be used. They need a bigger plan for hiring a borough manager that needs to be developed before the borough starts taking in any type of funds.

Mike Sodano, 324 W. Woodland Ave., said just in general, round terms, for the current real estate tax, what is the total of that boroughwide? Is it around \$425,000.00? Mark said they are answering all questions at the end. Mike said it seems excessive to him. He thinks he's in the

right neighborhood of right around \$425,000.00 and then the new tax is going to be about \$425,000.00 so you're basically doubling the boroughs' income tax. Not doubling the income tax but the total of the two taxes together. That's just for an official that you'd like to hire that you estimated to be \$100,000.00 and to jump right into that, especially when it's not necessarily needed. He appreciates everybody playing along and participating in this process.

Juanita Keys, 155 Hulmeville Ave., said she is not for the EIT. She heard 1% is the maximum and asked if it would stay. She feels like taxes leave her paycheck but she's not getting much of an increase. She wanted to know if long term it would remain at 1%. She's concerned about the tax and they said they would like to get a borough manager and to develop the town. She asked in what ways is the borough not doing good compared to other towns that do have an EIT. She asked why they even need this with everything that's going on with Covid. It's like you're trying to hold on to a little diamond penny. She's a single mom and another tax coming out concerns her. She doesn't want to be taxed again and doesn't think this is really necessary.

Dave Cahill, 462 Cynthia Ave., said that your engineer sucks. Bellevue Ave. looks like crap to put it mildly. He understands that there's been a lot of people speaking up against her. You need to fire her immediately. She has no idea what she's doing. All you Democrats suck and you all might want to think about resigning.

Meg McIntyre, 335 Hulmeville Ave., said she just wanted to say after listening to this whole meeting that she's very troubled that council has now decided that they're going to vote this through with so many questions from the council not knowing a lot of stuff of what's going on with this EIT. To not even know that the taxes have to be voted on every year is mindboggling to her of how anybody could be passing this or making any kind of a decision on this tonight. Also, she just wanted to say that with this EIT, apparently what she's hearing is it'll bring in \$430,000.00 with the borough manager costing \$100,000. It's excessive. She knows other people have said it, but she doesn't really understand why they would ever need to be bringing that much money in. You have two full-time secretaries in this small, small borough that could be converted into doing something else. Maybe one of them could be the manager. There's no need to be spending this much money and she wanted to give the rest of her time to her husband so he can finish his statement. Terry McIntyre said to Mayor Winkler, Barbara Heffelfinger, Beverly Wolfe, Joe Dudash, Gary Nickerson, John Stratz, Laura Germain, and Mark Moffa that if you do push this through, your legacy will be the council members who passed the Pennel paycheck tax and that's what it's going to be known as to the working class people of this town. That will be your legacy. He implores them to reconsider the amount of money in question because you don't need anywhere near this kind of money and you're just putting pain on the residents here in this town.

Gian Lo Piccolo, 132 Crescent St., said he was on council for six years and being a big part of the budget process, the borough's problem is that a mil is only \$17,000.00 or \$18,000.00 and that gives Pennel a disadvantage compared to other municipalities. It's basically a big reason why and also because of the density and the amount of residents in town. It puts the borough at a huge disadvantage compared to our neighbors. They had moved a lot of money out of the sewer and unfortunately to get it in the proper place, they had to raise millage in the general fund and he's been noticing in the past couple years' budgets that the monies crept back into the sewer. His idea at the time was to do an EIT at a half a percent to bring in a borough manager but also to take a look at the number that you come in with and be more responsible and budget with it. A half a percent is really what Pennel would need. He doesn't think the full percent would make any sense, but you guys have to get that money out of the sewer. If you passed a 1/2% you have to make things right. Put the salaries and the insurance and

everything back in the balance where it belongs because the sewer rental act is what you're going against right now. He was for a half percent. It just has to be spent responsibly. You have to do the right things with it and that's the bottom line. The borough needs a lot of stuff. He was happy to see that they finally got generators. For years they would argue about trying to get simple things like that to run the borough, but something has to change because the current state of the borough is in disrepair and needs a lot of work. To have somebody with continuity rather than elected officials making a lot of decisions would really be an asset to the borough because once somebody doesn't get reelected, they are out and they take their knowledge, their books, notes, whatever goes with them and you need continuity. You need an unbiased person and he thinks that if you bring someone in, he does agree that they need to take a serious look at the current payroll and current staffing and readjust because he thinks that adding a borough manager into that mix would just leave too many people.

Beverly Wolfe checked to see that she gave everyone a chance for public comment. She stated that would conclude the public comment portion. Mark Moffa said he wrote down the questions asked by the public. He will try to answer them and if he can't, he will defer to Keystone to answer them.

Mark said there were several questions referencing the \$430,000.00 number. That number is from Keystone Collections Group with an estimate of potential revenue from November of last year. They had to use that because they had to pick a number to use in the legal advertisement for this tax for how much money they could possibly raise. Ben was beating down his door for this number and he was beating down Keystone's door and the fact of the matter is that they can't give us a new estimate of potential revenue because they're not doing those at the moment. Mark asked Keystone to explain a little bit about why they were unable to get a new estimate of potential revenue. Keystone said there has been a series of business shutdown orders because of the pandemic. The year went on and into July. The final remaining counties went to the green phase of the shutdown order. Right now, the governor's office still has a lot of restrictions in place on businesses as far as operations and what they can do and generate. Right now, and it's really beyond any tax officer's ability to give you numbers on how much these businesses are going to take in, profit, and pay out to employees. Remember, there is an income issue on who's earning it and they are not going to be able to see those numbers for quite some time because the payroll numbers they talked about come in at the close of the quarters. The second quarter just closed and funds still have to not only be processed in with the employers and the payroll companies have shifted into in, but other tax officers if the tax officer for Montgomery County received funds in that process that they'll be determining during the course of the month. The end of August will be turning over what would be funds that ended up in Montgomery because the businesses in Montgomery they held it in Montgomery and it was collected in Montgomery. They can't see it right now. To give figures now is unrealistic until when they go back into the operation phase of businesses being open. Without these shutdowns and restrictions and closures and the situation that a lot of workers are in, they can't tell and people are on unemployment and they know that but they can't just go across the board and is it low income people or high income people who mostly lost their jobs or who's on furloughs right now, and until they see these payrolls are processed and all the business counts are in they can't give good projections. That would be like using a crystal ball. Mark said when they spoke earlier, the document that that's being referred to that this number is being pulled from referenced maximum possible revenue at the 1% at \$427,000.00 and the maximum possible revenue at a half percent is \$213,000.00. They talked about how there's no way you're ever going to get the \$427,000.00 and they also talked about how already that number drops probably into the three hundreds and then because of what's going on in the economy and in the world today, that's going to drop further. What he was asking earlier offline about what kind

of numbers would they be even using in their budgeting for next year, he suggested that they are probably going to have to use something very conservative like in the 200 thousands and your reply to that was to strongly urge them to be as conservative as possible, particularly because they still don't know how many businesses are going to be open and how this return in the economy is going to be with some people. It is referred to as the V shape where everything that went down is going to go right back up or is it going to be gradual. Keystone said they think that things will pick up with a nice, slow intake back to the economy. They are not in a position to predict that and they wouldn't expect the average council person in Pennsylvania to either because the best of the economists still can't make decisions on that and don't have that kind of foresight. They would be conservative as they possibly can. Mark said so then if they are only looking at possibly being able to budget for 200 something at a 1% at 1/2% it would stand to reason they would probably only be able to budget for 100 something. And if they're looking to find a position that might pay \$100,000.00, that would pretty much eat all that up so he just wanted to clarify that because they are looking to reduce property taxes with this and there will be no money to do that with if they implement it at the half percent. Mark said with some of the questions, some of them have factual answers and some of have subjective answers so he will gladly give his opinions and would welcome other council members to give theirs.

Mark said there is a reference to Penndel being the number one taxed community in Bucks County. Of course that is looking at the millage and actually as Gian Lo Piccolo very affectively pointed out that a mil here is only about \$18,000.00. You can't just look at millage rates and say that Penndel is the number one taxed community in Bucks County. Also, as Councilman Dudash often points out, the school district, and some folks don't realize this and he has a feeling that at least a couple of the folks who were asking questions, when they referenced how large their property tax bills were, he just wants to make it abundantly clear that when they talk about the millage that goes to the borough as being 30.8%, but the total millage you pay is 218 and 163 that goes to the school district. Joe wanted him to do this tonight and he didn't do it, but there's a Councilman from Bensalem that always tries to illustrate this to the residents. He takes a dollar bill and he shows them how much of the dollar bill is going to the school district and how much is going to the County and then they have this little sliver where they are trying to run your town with so that is very important to remember when you speak of property taxes going up by thousands of dollars. Keep in mind we get a sliver of that and ours hasn't gone up at all since 2017.

Mark said the next question which was a very good question from the gentleman who had some government experience or consulting experience, wanted to know if anyone with government experience had been consulted about the borough manager and if there were other options.

Mark said the ordinance right now that they are going to vote on is the earned income tax. Following that will be the vote on the borough manager. It is just to establish the position in our book of ordinances as these are the positions we have in Penndel Borough. They are not hiring the person yet. They don't know exactly what that person's role will be here and he thinks they will do that when they interview and they see what's out there and what kind of skills and abilities different people might offer. It could be something where they look more for an economic development officer if the focus is on revitalization. This is a discussion that borough council will have as they start collecting resumes and looking for the type of person they want to hire. This is simply creating a position on the books. That's all it's doing.

There was a related question about what the oversight would be on that person. That person would report to borough council, specifically to the borough Council President. So, a manager works at the pleasure of the council but to the points that some others made and he thinks John Lo Piccolo actually made it as well that, unlike maybe your town lawyer or your engineer, these tend to be more political appointments and if a party that rules changes, they might change who those folks are. The manager doesn't usually change when that happens so you can even have

a complete flip of party control in your town and most likely unless there's something terribly wrong with the way the manager was doing their job, they're going to stick with the same manager. There's a level of continuity in leadership that happens when you have a position like that position that we don't currently have.

Someone wants to know when it starts. If this is passed tonight, it would start January of 2021. Mark said he thinks the fellows from Keystone noted that the majority of employers do that as a payroll tax deduction. If they don't, and he knows that his employer won't because they are a very small employer in New Jersey and they're not set up to do this. He paid this earned income tax for a couple of years to Newtown Township when he lived there and he just had to file it when he filed his income taxes so there's a few different ways that that can happen.

There was a reference to there being a separate earned income tax percentage in some towns for nonresidents versus residents. This is true, however, because every town has nonresident tax at the full 1% almost there are one or two that don't, but almost all of the 45 towns in Bucks County that have the earned income tax have the nonresidents at the 1%. And because of that and he thinks the fellows from Keystone mentioned this earlier, it starts to become silly like you know all of our residents who are paying it in all these other towns are paying it at the 1% so if they don't implement it at the 1% there's this big differential between what we will be collecting and what they'd still be paying to other towns and so that's the rationale there.

Mark said he didn't know the answer to the next question and two residents had it. The question was about investment properties. The first was from a gentleman named Paul and his situation was a very particular case where he works in Philly and pays the Philly wage tax and then on the side has investment properties. How do you pay the Philly wage tax, and correct him if he's wrong, but that makes him a bit of a special case here doesn't it? Keystone said yes it does. It is so high and because they have all that super credit, you've got nearly 4% versus 1% going to Philly. That credit is going to very likely wipe out anything that would be due in any local municipality because it's just substantially higher. The rate is so much higher and how many more dollars are coming out of the paycheck to Philadelphia and you get a full credit whatever the rate is in the local communities. The important thing here, he mentioned investment many times. This tax does not tax investments. It taxes earnings on what you actually work to earn. If your money grows because of what you invested in whether it be a bank account or real estate that you're buying and selling, that is not earned income and is not treated as earned income. He mentioned he invests in properties so he will not be taxed under the Pennel ordinance.

Someone addressed their property taxes going up by thousands again and Mark said he thinks he already addressed that. To the folks who had those concerns, keep in mind the goal of this is to lower those for you.

Someone who lives in Pennel is being taxed in Middletown and wanted to know what would happen to them. Mark said Middletown is one of the couple that has it at 1/2% around Pennel. Keystone said it is quite simple. If you implement a 1% tax and if you have a resident that works in Middletown, the full 1% would come to Pennel and none of it would stay with Middletown. The funds go to the resident municipality first and then, if for some reason if you would enact a 1/2% tax and Middletown had a 1% and if they worked in the community that had a 1% they would still have to pay the 1% and half of it would stay in the nonresident community where they worked and half of it would come back to satisfy the Pennel amount.

Mark said there is a question from a couple of folks on the \$12,000.00 exemption which is currently not in the version of the ordinance that we have advertised and that is on the table tonight. Mark said to correct him if he is wrong that it would be considered a substantive change and they would not be able to adopt it with the \$12,000.00 exclusion tonight is that correct? Ben Hauser said If the ordinance were to be moved for amendment to include the \$12,000.00 and that what you were getting at is that the current ordinance does not have and if you were to add it in, that would be a substantial amendment. It would have to be delayed for

at least 10 days if not longer because there would be certain notice requirements required. Mark said if they wanted to pass the version that's on the table now they could move it and they could essentially go through the advertisement process again and just have another vote from council that establishes an earned income tax with a \$12,000.00 exemption. If they so wished the currently passed ordinance to include that exemption, it is an existing ordinance at that point and Mark said they could, at the next meeting, tell Ben to start working on that amendment for them. Ben said that is correct. Keystone said they wanted to clarify that this would only impact people who make less than \$12,000.00. They said they think they misunderstood the question earlier. If someone has multiple jobs where they would add up to over \$12,000.00 as far as the payroll withholding requirement, if it's not, you don't get withheld for the first \$12,000.00. If you're under \$12,000.00 you would not be withheld and if you had two jobs and they were both under \$12,000.00, the employer wouldn't have the obligation because they don't really know what your other job earnings are. Mark said so if he's making \$12,000.00, he would not pay the tax if this exemption was to exist. He asked what happens if he's making \$12,001.00. Keystone said that's where they misunderstood. If you're not in the exemption category as it's been defined, the state doesn't allow you to change the number over \$12,000.00. They only allow you to go from zero to \$12,000.00 so you pay the full 1%. Mark said someone wants to know if they could raise it from 1%. Keystone said the answer is no, 1% is the cap. Keystone said there are exceptions for special purposes and he thinks if you're in an Act 47 situation where the municipality's gone bankrupt, the state can allow them to go over. If your pension fund is not surviving, the state can allow you to adopt an additional tax but you need to get permission and you need to be in a very unique situation financially to be able to do that so there are some situations where you can go over. Mark said a comment made by Gian Lo Piccolo he wanted to address some of the valid points he made. He has concerns about the way our salaries are derived out of the different funds. Mark said if they did a half percent, they would not have enough money to take all of the salaries from the general fund so if that's something that someone wants to see happen, the half percent would not be enough to do so. Mark said there are a couple of folks that mentioned that all of council seems to have a lot of questions and maybe they don't really know what's going on. Mark said he knew the answers to all his questions. He is trying to ask the frequently asked questions that they received from everyone and just to facilitate a discussion. He thinks a lot of them do have a good understanding after how long they've been discussing this. He knows that Councilman Dudash had a long list of questions to which he knew most of the answers. This was to facilitate a back and forth and to give the folks out there who have come to them with questions, the answers to the questions they've asked them. He just wanted to mention that so everyone knew. Mark said he believes that addresses all of the questions from the public.

Joe Dudash read his statement as follows: The Borough of Penndel is a diverse community, hardworking, and has small-town core values. With all of that, Penndel's biggest asset in our community is: "The People who call Borough of Penndel home"!

While many people are undoubtedly facing very difficult circumstances, I've been both humbled and proud of how our community is pulling together with practical offers of help, and not fearing corrective action plans to meet future community goals.

At this very historical moment, we are formulating the future of our borough.

This council, and committees occupied by Penndel residents and business owners, and advice from the community, have established a new revitalization development model to achieve both economic growth and community good.

Penndel's present "Economic Standing is Not Healthy", and our "Downtown is Lifeless"! I am going to repeat that; Penndel's present "Economic Standing is Not Healthy", and our "Downtown is Lifeless"! But when it comes to actually doing something, there has always been an excuse standing in the way! Borough history has disclosed that we have been taking the same failed approach for years. Never in the history of our borough has a single plan developed in a way that would have such far-reaching generational impact until today.

At this time the council and committees, in which many of you in the audience have served with dedication, have reviewed data to gain insight into the true impact of vacancy and blight on the business district of Penndel and I am not going to lie, we have a serious problem.

The success of the revitalization program depends on establishing a "Borough Business Manager"! The EIT is needed to hire such a professional. The EIT would also be used to offset the cost of property taxes from the school district and county.

Councilman Moffa is making a historical contract with the homeowners of Penndel tonight: "The Contract with Penndel"! Percent of the EIT would be given to the homeowners to reduce their property taxes.

This is just the beginning. I am encouraged that through this partnership with council and people of Penndel, the EIT will improve the lives, economics, and revitalization efforts of Penndel so that we may have a vibrant, accessible and welcoming downtown like many of the towns across Bucks County, which will make us economically competitive and will generate a desperately needed increased mercantile tax revenue.

In closing I cannot stress enough: Penndel's present "Economic Standing is Not Healthy", and our "Downtown is Lifeless"! If we continue to go down this slippery economic slope without reverse action, Penndel's Name WILL Change!

Joe said he's heard a lot of people out there and he's talked to a lot of people. Most of the people he grew up with in his town know him. He's got a reputation. You've seen the minutes. There's been some knock down drag out fights here but that's part of this council that has let it. His promise to the people tonight is along with Councilman Moffa which he knows he'll uphold; you will see that real estate reduction. That EIT will help us in that situation. He guarantees they will manage it and it'll be in a separate fund. People are saying this is our legacy, down the toilet. He challenges them because he's saying his legacy is going to be the revitalization of downtown Penndel. When he came on this council that's what he was working for. He knows Mr. Lo Piccolo worked hard for it and Mr. Sodano and all the past people have worked on this. This is the first time we've actually made it up to these steps that they are doing right now to change Penndel's downtown. All the naysayers out there, you can also say yeah you know I'm moving to Jersey. Jersey's got higher taxes than here. The other thing is do you want to go down there to downtown Penndel and see what it is like? When he was a kid you had a bakery, an Acme, a bank, and everything else so if you want that, you have to sacrifice sometimes. In his household, like Marks' and a couple others, this will be a new tax for them. He is retired but his wife will be paying. If he gets a part time job, he will be paying. He thinks it's something that they need to do and he's willing to give that sacrifice. Joe said he told everyone that when he got put into this office and you don't like him, vote him out. But this is what he's going to do. He's going to get that place revitalized. Then his next thing will be to burn down Taddei Woods but that is another subject he won't even get into. In conclusion, he grew up with these people and we have to take a chance. For downtown, we can't keep going this way. Even as Mr. Lo Piccolo said, he knows they have budget problems and all but when he first came in here, he thought they had money galore. He found when he got in there and seeing it, we are not as rich as you think. And when he saw that dollar bill thing from the Bensalem Mayor, he laughed

because you really have to take a look at it because you just start yelling about Pennndel's taxes. It's not Pennndel's taxes. It's the school tax. The borough is only a small fraction of that dollar bill that is running this place. You have a fine fire department. You have a fine Police Department. You don't have to wait like Langhorne. It doesn't matter does if it's 12:00 o'clock tonight. No one on duty and you're waiting for a state trooper from I-95. Good luck. He was working up at Cairn University and there was many a night where they would tell you you're on your own, there's nobody to come up there and they would have to wait for the trooper to come from I-95. But he will tell you who shows up all the time and it's Pennndel Borough police. You can fight about the police until doomsday but in his opinion, most of the people that's what they want. They want somebody banging at that door when you make that 911 phone call. Otherwise you're not getting that. Sometimes the state troopers are busy and there aren't many troopers on at 12:00 o'clock at night for running the roads in Bucks County. He agrees with Mr. Lo Piccolo. He is a retired federal agent and he doesn't know how to run books. All he did was run it as a SAC office but that's totally different than budgeting things and all that. Mr. Lo Piccolo is right. They do need a business manager. He's heard people say to put the secretaries in as managers and he already tried it and they don't want it because they've seen the headaches and they don't want to deal with it. They put everything out there because there's been a lot of mess and everything else around here so that's why they did it the way they did. They came to the people and those people gave them questions. They look like a bunch of morons on here because he's asking the same questions that you're hearing with the answers. He already knew the answers but he wanted to make sure that everybody knows these are the questions that people ask because they keep hearing the same questions over and over again. So, he will get off his soapbox after speaking his piece, but he is still proud of being a resident of Pennndel and the people that are in this town.

Beverly Wolfe said she did not have anything to add to that because of what Joe Dudash so eloquently said. He said everything she was thinking.

Laura Germain said she thinks a lot of council and to know that she respects council because she really struggled with this decision and she feels like there are really good points on both sides. She thinks ultimately she is going to vote against it. Pre-pandemic she would have voted for it, but she just doesn't feel like it's the right time although she won't be upset if it passes. Mark made some really compelling points. It's a bipartisan recommendation which she takes very seriously but she feels like since it was not discussed under the context of the pandemic, she would've been more comfortable backing it if it was discussed again after the pandemic. Again, she is OK with the passing of it because she thinks probably a lot of them are smarter than her when it comes to this stuff but she just wanted to explain herself.

John Stratz said that for many years there have been people coming up to him and telling him they tried to get streetlights, but it got done. Put faith in this council. We are doing our best. 2020, let there be lights. 2021, we're going to improve our downtown. Have faith and it will come.

Barbara Heffelfinger said that she has two concerns. The first is that she agrees with Laura. This is a rough, rough time for a lot of people. Our figures this year don't show it but that's her main concern. Her other concern is that she wants that \$12,000.00 waiver put in. She won't vote for anything until that waiver is in and she apologized because she should have seen that. Whoever gave that suggestion, she thanked for reminding her of it, but she thinks that that has to go in.

Beverly Wolfe said with the thing about the pandemic being thrown out there, she took a substantial pay cut because of the pandemic and they're still collecting her EIT. She would rather have that money, even though it's smaller, come to Pennel instead of Upper Southampton.

Mark Moffa said he had a couple of things he was going to say but he thinks everyone has really hit most of his points and he has spoken so much already.

Gary Nickerson said he pretty much said most of what he had to say before but one thing he didn't mention was Mark was talking about doing a possible property tax reduction. If he's willing to commit to a property tax reduction this year, he will take him on his word that we can afford that this year. He didn't really think that was going to be possible until next year. This year he would commit to it. Regarding next year hopefully they can do an additional property tax reduction when they see the numbers coming in and we're going to have a better understanding of the financial situation.

Beverly Wolfe said that's been the plan all along with the property tax reduction and according to what the gentleman from Keystone said, it sounds like we're not going to have to wait until 2022, they will start to see the money coming in next year in 2021. Keystone said that is correct. Beverly said then she is with Councilman Moffa. They can do this.

Joe Dudash said with the \$12,000.00 exemption, what he took from Joe and Jason is that they don't need to put that in because it's automatic. Beverly said they do. If you want to do that, they would have to amend it which is what council members want to do. Beverly, Joe, Gary and Mark said they would support amending. Joe said they can have Ben get started on it. Beverly said they can do the ordinance and then the amendment to the ordinance.

Roll call vote. Mark Moffa, yes, Laura Germain, no, Joe Dudash, yes, Gary Nickerson, yes, John Stratz, no, Barbara Heffelfinger, no, Beverly Wolfe, yes. Motion passed, 4-3.

Beverly Wolfe passed the gavel back to Council President Barbara Heffelfinger.

MOTION BY MARK MOFFA TO ADOPT ORDINANCE #2020-3 AMENDING CHAPTER 41 "OFFICERS AND EMPLOYEES," TO REPEAL AND REPLACE ARTICLE L – "OFFICES OF SECRETARY AND TREASURER" WITH A NEW ARTICLE I – "OFFICE OF BOROUGH MANAGER" AND CREATE A NEW ARTICLE II – "OFFICES OF SECRETARY AND TREASURER," TO PROVIDE FOR A BOROUGH MANAGER. SECONDED BY GARY NICKERSON.

Ben Hauser asked Marie if she received an affidavit from the Bucks County Courier Times saying that the ordinance was advertised to be heard and adopted this evening. Marie said yes, she received it on August 12th. Ben asked that to be marked as B4. He asked Marie if she received a letter from Barbara Morris from the Bucks County Law Library saying that the ordinance was filed with that office as of August 3, 2020. Marie said yes. Ben asked that to be marked as B5. Ben asked Marie if she had a place for public viewing. Marie said yes, that was put out on August 7th.

John Stratz asked who takes better care of your children, the nanny or yourself? Who takes better care of your house, the maid/handyman or yourself? For the past two years they've done an excellent job on the yearly municipal budget. He doesn't particularly think the title of borough manager is really what he's personally after. He would like an economic developer. He really feels that the borough needs a mouthpiece to sing the borough's praises out there to developers and he thinks they need somebody to just hammer that point, not somebody who's bogged

down with a lot of other duties that they are paying extra for. Revitalization is a word that's been bandied about for years. Let's do something about it instead of worrying about our people that we have working for us.

Beverly Wolfe said so they are all clear, this is an ordinance to create the position. It's not committing. It's just housekeeping to create the position which can be whatever they make of it. This is just to create it. Not anything with the duties or anything like that.

Laura Germain said she really loves that the residents brought up some good points and she is fine voting for it, but she does agree that they need to have some more discussion about what exactly that means. Also, as she has expressed in the past, she firmly is for keeping our current two secretaries in the structure that was discussed.

Gary Nickerson said he echoes what Beverly said. This ordinance is just basically to allow our code to create the position. How they are going to be soliciting candidates for this and the specific of their day-to-day responsibilities certainly can be done at a later time. This borough manager position, they are going to report to council. They would want that person to be involved in the marketing and play a major role in the revitalization. He thinks that's key and the main reason that he's for it. He thinks that's going to be that person's number one responsibility certainly to start this off.

Joe Dudash said they really need a borough manager because everybody thinks like the old days that you could do all this stuff. With him being on council, he's been everything from an accountant, union negotiator, refuse, expert contract, expert recycling, being expert environments, animals, ecologist, turtles, Spotted Lantern flies, emerald ash, attorney, Inspector General, and complaints, it's everything. There's just not enough time for people nowadays where you have two individuals working and you have kids at home and now the kids aren't even going to school so you're doing the school work with the kids too. But the main thing is, and he doesn't want to sound like he's crying here but the main thing is like everybody else is saying, for his evaluation of things they do have some operational problems and issues and he still thinks they need a person like this. One to go out to start doing the groundwork for revitalization. But the other thing is they have to keep control on contractors, and they've got overruns and they're constantly battling with that and have to get them in line. He really thinks none of them have the time. Plus they will reduce costs with the engineer and solicitor and any inspectors because you have somebody standing there right then and is there every day and they're watching things, not only that with the books but everything else so he's in favor of it. The manager is the administrator and they are still the council who does the policy, sets policy. He thinks people will think that they are just giving up but that's not the case. And this revitalization which they have all been doing, they are all going to have to keep working on it. You just can't keep the poor manager working on it but he or she will have a lot of work ahead of them. For someone who has not been on council, it may look easy when you pass that building every day but there's a lot of work that goes on here. They don't know what happens in there. You're not just sitting there doing votes. You're doing everything so he truly recommends that they do this and this is just to get it in the code. This is not picking the person. This is the start of this process.

Mark Moffa said he spoke about this quite a bit earlier and he obviously agrees with what is being said.

Terry McIntyre, 335 Hulmeville Ave., asked if there was a provision in the ordinance, and said he just skimmed it the other day but didn't really read it fully, to see if there is a provision if you

were to elevate one of the borough secretaries who are very experienced to that role or even in a limited capacity in that role. Let's say you took Marie Serota if she was willing, and he is just saying hypothetically, to take the borough manager job on and then her role as secretary can be reduced and then Karen Kondrk would step into her role. Is there a provision in that ordinance that would allow for that? Ben Hauser said he believes the gentleman's question was if council would select Marie what would happen to her secretary position. He asked Terry if that was correct. Terry asked if she could serve in a dual role because he's seen that in many towns like in Morrisville and Falls. Terry said he's had small businesses his whole life and he would never want to discount employees that you have had for a long period of time. Those girls are very knowledgeable and he's not saying they're willing but if they were, it would be nice if there is a provision in there where that would be allowed. Ben said section 1143 of the borough code, the offices of borough manager, street commissioner, secretary, treasurer, chief of police, shall not be compatible and any of two or more of all the offices may be held by one person, so the short answer is she could be the borough manager and the secretary.

Joe Dudash said he already asked Marie about it and they don't want it. They don't want the headaches. He'd be willing to send Marie to school even and she looked at him like he was nuts. He said he doesn't blame her. Terry said you always want to have your options open because you want to have flexibility and it works very well in Morrisville and so he was just curious if that would be the case that there was a provision for that.

Gian Lo Piccolo said that Mr. Nickerson brought up a lot of credentials earlier and qualifications of what you'd be looking for in a borough manager. He thinks that that's very important for somebody who does that role because Pennndel has always kind of been a little bit of a hermit borough. The mayor is mostly the person who contacts outside municipalities. They had some borough meetings where they met up with Langhorne, Hulmeville, Langhorne Manor, but a true borough manager is really going to go out and network with other municipalities and go to conferences and stuff. He thinks the borough would benefit better by somebody who is more of a communicator, who rubs elbows with other people and bring ideas from outside and also talks to a lot of them about going in with different ideas. The other boroughs were very eager to work together on workers, borough equipment, which would help save the borough money. He really thinks it's important to have those qualifications and have somebody who's able to network. Marie is very good with her experience with things in the borough, but you need somebody who's more in the network of things and connections.

A roll call vote was taken. Beverly Wolfe, yes, Laura Germain, yes, Joe Dudash, yes, Mark Moffa, yes, Gary Nickerson, yes, John Stratz, no, Barbara Heffelfinger, yes. Motion passes 6-1.

Dave Cahill said he was going to make a big-time complaint about the Zoom meeting tomorrow with the District Attorney's office. Mark Moffa said he muted the person who is out of order.

MOTION BY JOE DUDASH TO TAKE A FIVE-MINUTE RECESS. SECONDED BY BEVERLY WOLFE. All ayes, motion carried.

MOTION BY JOHN STRATZ TO APPROVE THE MINUTES OF THE AUGUST 3, 2020 COUNCIL MEETING. SECONDED BY MARK MOFFA. A roll call vote was taken. Beverly Wolfe, yes, Mark Moffa, yes, Gary Nickerson, yes, Laura Germain, yes, John Stratz, yes, Barbara Heffelfinger, yes. All ayes, motion carried. Barbara said she had to give Karen Kondrk a big star and also to Marie for making those minutes from the last meeting really sound like something because she didn't. Mark said now they're going to have to do the minutes from this meeting. Barbara said that's a problem.

Engineer's Report

Carol read her report which is attached.

MOTION BY BEVERLY WOLFE TO APPROVE CHANGE ORDER #2 CONTROL PANELS, TO THE MEMORIAL PARK LIGHTING PHASE 1 AGREEMENT AS RECOMMENDED BY BOROUGH ENGINEER. SECONDED BY JOHN STRATZ. Joe Dudash asked if this was going to cost the borough additional money. Carol said yes and no. There is an additional cost and Denney Electric actually found a rebate to help cover that cost. The \$120,000.00 is CDBG money. That extra \$2,097.00 would initially come out of the borough budget but you will get reimbursed that and more with that PECO rebate. Joe said so they won't be paying anything and Carol said they will net some from this change order. Joe said in her notes it says they are removing the light from the picnic area. Carol said in change order number one when they were trading out which lights they were going to do, they were really focusing on field one and the tot lot and the basketball area as part of that swap out and they had some extra that they were going to allocate to the pavilion light but they've taken that out to help offset the added costs for the control panel. Joe said so there isn't any extra money left over. Carol said they are trying to balance out the costs and trying to offset potential change order costs by where else they can find dollars here so that this doesn't negatively impact the overall project costs and one of the ways they did that was to deduct back out that change order light we had tried to put back in. Joe asked if they could put it back in. Barbara said they only have about \$1,000.00 left. Carol said she would drop that into the general fund or look at that to deal with future issues. There is something else coming up that she will bring to them in two weeks about the wiring for the basketball court lighting that's been in her reports. She was trying to avoid going too far into that tonight work or seeking out some extra funding for that issue too. Joe asked why they didn't know about the problems when they started this project. Carol said at the basketball courts they didn't know that until they mounted the fixture and they went to wire it there was a problem with grounding and they dug down at the base of the pole and found out that the wire was within conduit going down the pole but when it got to the base, the ground just went to a rod that goes into the ground and the conduit ended about 12 inches below ground and ended up being a bare wire. They couldn't have known that until they actually got into the project. So that's the basketball court wiring issue there and then with this panel the electrician and she will let Sean from Denney electric jump in here if he has some better insight, but when their electrician got onto the job and really started tracing what is connected where, that's when he found there were multiple power sources coming in there. There were some field lights in one box and some field lights in the other box and there's an old pushomatic panel that is so antiquated they can't get parts or breakers for it anymore to be able to connect new lights into a new box off of it. There's some code problems that they discovered as they opened things up and really started to investigate so it seems to her that when the electrician really got into this and started tracing all these lines, that's when it became apparent that there was some real code problems out there and this would sort of encapsulate all of the issues and put them in with everything in the one cleared panel so that you're up to code and ready to go. Joe asked if they had an electrician go down there. Carol said when they had drawn this thing up, they had a lighting consultant that was guiding them in the initial estimate of the work that needed to be done in that field. Joe said and he didn't pick it up. He asked if the borough hired him. Carol said no, this was a lighting consultant that was volunteering his time and his interest in the project. Carol said he wanted to do the job and he wanted to be one of the bidders. Joe said it seems like we're always having these cost overruns. Barbara said it's actually under budget. Joe said every time they sit down it's like something else. They didn't notice that the panels were bad? They should have had an electrician in there the first time. It seems like we're nickel and diming the public, the residents. Barbara and Beverly said they are not paying for it. This is

a \$120,000.00 CDBG grant which is free money. Mark Moffa said he shares Councilman Dudash's concerns about the change orders. There seem to be a lot of change orders and he shares his opinion that they should have been caught in advance. Joe said they're not even talking about the basketball court yet. He said he's not going to hold it up for the residents and children of Pennel to get the lights done but he's not happy about it. He thinks this is where a borough manager is needed. Mark said he agrees it's disappointing. John Stratz said even a borough manager would not have had a crystal ball. Joe said no but he would have hired a professional to go down there. John asked with what money. Joe said if you didn't have the money then you don't do the project. This is what Mr. Lo Piccolo and everybody else is yelling about. You can move on. He's for it to get it done because of the residents. Gary Nickerson asked if that's just sending in the receipts. Beverly said it's a rebate for going to LED lights. Gary said he just wanted to make sure it wasn't like a grant with an approval process. Beverly said it's a rebate and it's pretty straightforward. Mark said he agrees with the concerns and he thinks there's too many change orders on engineering jobs. Beverly said she wanted to state for the record that she doesn't agree. You can't know. It would be like trying to guess what's under a road before you dig it up. You don't know until you do. Or what's in a wall until you take it down. Carol said the electrician really spent a lot of time and effort in there trying to see what's connected to where and it was a mess. That's a lot of time and money that you didn't pay for. That's all falling into this grant program. Joe said that a layman could have seen the mess down there. Carol said that's why they had the panel in the initial project. But once they started tracing things it turned out to be more of a mess and less code compliant and more of a job.

Steve Lowe, 409 Cynthia Ave., asked if going forward from here, and he is a little sided because he is an electrician, has there been a set of electrical drawings printed up now from an electrical engineer and stamped so you know what is the right equipment to put in and what fashion it needs to be installed or are you just doing this sort of on the word one electrician. Carol said they are utilizing the expertise of both Denney Electric and G&R Electric so no, she did not hire an electrical engineer to draw up new plans for this. Steve said he thinks that's the smart thing to do. Carol said they are trying to get things code compliant and utilize the resources that they have at their disposal right now. Steve said he understands the difference though between code compliant an electrical engineer drawing and stamping it so that way when something goes wrong later down the road you can say that you have a drawing and it was stamped by an electrical engineer. The code compliant says that it was it was put in and installed to the drawings and per code. Barbara said up to this point the Wildcats have done all of that and that was all part of the agreement they would take care of the maintenance and they probably had a couple of electricians in there in their membership who did the work. Steve asked if there should be an electrical engineer drawing. Barbara asked Carol if it is required by DCED. Carol said it's not required by the CDBG grant program to do that. They would then be bringing this to a halt and have to get money from the borough budget for that design change so if that's something that the borough wants to do, that's going to be a borough expense that wouldn't be covered by the CDBG program. She asked Sean from Denney Electric if he had anything he wanted to add to this conversation. Sean said that's it's up to the borough and the borough members comfort level. GR Electric is a very reputable and large-scale contractor that does this kind of work every day. They were the ones that caught what was existing wasn't up to code. Everything they've done so far is anything that kind of stands out that is potentially not up to code or potentially going to be an issue in the future which they're trying to catch on the front end because you know, not just to help the engineer out but also because they know their name is attached to it as well. They don't want to go in and do any sort of haphazard work or leave anything that could be an issue down the line. He certainly understands the concern and if drawings are the way that the borough decides to go then that's kind of the direction that we

would have to look at. Joe Dudash asked Sean how bad it is from what he's seeing down there. Sean said as far as the concerns that Carol's brought up, it's the non-grounding issue over at the basketball court and then the existing pushomatic panel that's in the electrical room. Carol said to clarify this, they sort of set this up as a turnkey project where the winning bidder submitted the lighting design and information to the borough with their bid on the front end of the job. It really was set up as a turnkey job, not a fully designed before they got there kind of project. Amanda Mieluch said that these are borough buildings regardless of what the contract is with the Wildcats. She said shouldn't they have been looking at this stuff all along? Barbara said this goes back years and years. Amanda said she understands that, but these are borough buildings and shouldn't they have been looking at this stuff all along. Barbara said she didn't know how to answer that. John Stratz said yes, they should have and they finally are. A roll call vote was taken. Mark Moffa, no, Joe Dudash, yes, Gary Nickerson, yes, Laura Germain, yes, Barbara Heffelfinger, yes, John Stratz, yes, Beverly, yes. Motion passes, 6-1.

MOTION BY BEVERLY WOLFE TO PAY BURCZ LANDSCAPING LLC INVOICE #2 IN THE AMOUNT OF \$630.00 FOR EMERGENCY TREE WORK DONE ON 08/10/2020. SECONDED BY JOE DUDASH. Barbara Heffelfinger thanked Joe for taking care of that. Kevin Burcz came over pretty quick and took care of that tree. Joe said the tree fell from Taddei Woods almost to the front of the house on Spring St. Joe thanked the mayor who responded fast with Nick our fire Marshal and Emergency Management. The resident couldn't even get in the driveway. They cut a path through there and Kevin Burcz had to do the big stuff. Gary Nickerson asked where this was, and Joe told him at the back of Taddei Woods by the old Mayor's house. A roll call vote was taken. Beverly Wolfe, yes, Mark Moffa, yes, Gary Nickerson, yes, Laura Germain, yes, John Stratz, yes, Barbara Heffelfinger, yes. All ayes, motion carried.

Carol Schuehler explained the master casting agreement. It is something that the borough has had to repeatedly execute a resolution for and enter into for each of the times that PennDOT is coming into the borough and doing work that might impact the sanitary sewer manholes in particular. What the master casting agreement does is if they are paving the road and milling and then overlaying and they need to make an adjustment to the manhole rim elevation the master casting agreement means that the borough says the PennDOT contractor can do that while he's doing the paving work in the borough. If you don't have that master casting agreement then the borough has to figure out a way to get somebody out there to do the work and coordinate with a subcontractor and it's really not practical so the master casting agreement that they've entered into probably three times over in the past two or three years smooths all that over and makes it possible for things to proceed. What PennDOT appears to be doing now is putting out a sort of blanket master casting agreement that says for the next nine years this agreement would apply and the council can pass one resolution now that says somebody in the borough such as the council president in this case is authorized to sign an agreement and to authorize master casting forms to be signed for each project without having to go back and do another resolution and without the engineer going through all this explanation. This is really sort of an efficiency thing and the way she reads it, what this does is it makes the title responsible for signing the project initiation forms rather than a specific person so if the council president changes it doesn't really matter. It's just that the council president signs the project information form that puts into gear the master casting for each project so for each project coming down the road, no pun intended, there would be a project information form that would be worked out between the borough and PennDOT before the project gets there and whoever is borough Council President at the time can sign on behalf of the borough and if a manhole needs to be adjusted for \$200.00 or \$500.00 to keep the project moving, then they can do that. Ben Hauser said his recollection was that they've had to do this a couple times in the past from time to time even though he believes this is a nine-year general agreement when they've had Council

President changes. PennDOT likes to know the current Council President. He remembers having to do this shortly after Mrs. Wolfe was made president to replace the prior president and so on and they want that updated from time to time. He thinks they did something related to master casting or something that one of these individual projects maybe in the second half of last year. Carol said they did the resolution on this casting agreement for Lincoln Highway, for the Hulmeville Ave. bridge and for Hulmeville Ave. Each of those times it was a whole new agreement and a new resolution and the way she reads this is this is going to be one long term agreement, one resolution and then the project initiation form for each project will be the document that goes between the borough and PennDOT and doesn't have to go for a full council resolution each time anymore.

MOTION TO ADOPT RESOLUTION #2020-20 AUTHORIZING COUNCIL PRESIDENT TO SIGN THE MASTER CASTING AGREEMENT WITH PENNDOT AND BOROUGH SECRETARY TO ATTEST THE SAME AS RECOMMENDED BY BOROUGH ENGINEER. SECONDED BY. A roll call vote was taken. Beverly Wolfe, yes, Mark Moffa, yes, Gary Nickerson, yes, Laura Germain, yes, John Stratz, yes, Barbara Heffelfinger, yes. All ayes, motion carried.

Persons to be Heard - No one spoke.

Laura Germain said she is trying to plan something for Halloween in case they can't do the traditional Halloween in the borough so if anybody has any ideas, feel free to send them her way. Barbara said she liked that rock painting and asked if she has any rocks left. Laura said they have the funds if she thinks it's worth it getting more. Barbara said she would've done a half dozen more.

MOTION BY BEVERLY WOLFE TO ADJOURN. SECONDED BY MARK MOFFA. All ayes, motion carried. 6-0 (Laura Germain had already left).

Submitted by: Marie Serota
Marie Serota, Secretary/Treasurer

B-1

Bucks County, SS.

**NOTICE
PENNDDEL BOROUGH**

Notice is hereby given that the Borough of Penndel intends to enact a tax ordinance at the regular meeting of the council on Monday, August 17, 2020. The tax will be levied at a rate of one percent (1%) on income and net profits earned on and after January 1, 2021, by residents of the Borough and on income and net profits earned by non-residents of the borough for work done or services performed or rendered in the Borough. The tax will support general government administration and is expected to raise \$430,000.00. A copy of the proposed ordinance is on file and may be examined in the rear vestibule of Borough Hall, 300 Bellevue Avenue, Penndel, PA, Monday through Friday during regular business hours. Additionally, an electronic copy of the proposed Ordinance is available on the Penndel Borough website at <https://www.penndelboro.com>.

Marie Serota

**Borough Secretary/Treasurer
300 Bellevue Avenue
Penndel, PA**

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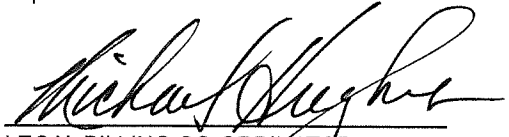
PENNDDEL BOROUGH
MARIE SEROTA
PENNDDEL, PA 19047

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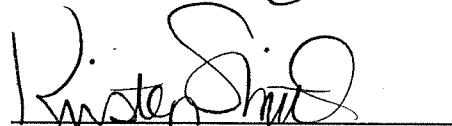
Michael Hughes being duly affirmed according to law, deposes and says that he/she is the Legal Billing Co-ordinator of the COURIER TIMES INCORPORATED, Publisher of The Bucks County Courier Times, a newspaper of general circulation, published and having its place of business at Levittown, Bucks County, Pa; that said newspaper was established in 1910; that securely attached hereto is a facsimile of the printed notice which is exactly as printed and published in said newspaper on

July 24, 2020
July 31, 2020
August 07, 2020

and is a true copy thereof; and that this affiant is not interested in said subject matter of advertising; and all of the allegations in this statement as to the time, place and character of publication are true.



LEGAL BILLING CO-ORDINATOR



Affirmed and subscribed to me before me this 7th day of August 2020 A.D.

Commonwealth of Pennsylvania - Notary Seal
Kristen Smith, Notary Public
Bucks County
My commission expires March 5, 2022
Commission number 1324227

Bucks County, SS.

PENNDel BOROUGH
MARIE SEROTA
PENNDel, PA 19047

NOTICE

**TO THE RESIDENTS OF
PENNDel BOROUGH:**

NOTICE is hereby given that the Borough Council of the Borough of Penndel, Bucks County, Commonwealth of Pennsylvania, intends to adopt, at its regularly scheduled meeting on Monday, August 17, 2020, at 7:30 PM at Borough Hall, located at 300 Bellevue Avenue, Penndel, PA or by a virtual method, depending on the state of the COVID-19 crisis, the following Ordinance:

AN ORDINANCE OF THE BOROUGH OF PENNDel, BUCKS COUNTY, PENNSYLVANIA AMENDING CHAPTER 368 - "TAXATION," TO CREATE A NEW ARTICLE VII - "EARNED INCOME AND NET PROFITS TAX," TO PROVIDE FOR AN EARNED INCOME AND NET PROFITS TAX.

The venue and method of the meeting to be held will be determined by the state of the current COVID-19 crisis. Please be guided by the instructions provided by the Borough at the time of publication of the proposed Agenda at <https://www.penndelboro.com>.

Pursuant to the requirements of the Borough Code, the following is a brief summary of the proposed Ordinance:

First, the Ordinance amends Chapter 368 - "Taxation" of the Code of Ordinances to establish a new Article VII - "Earned Income and Net Profits Tax." The tax established under this Ordinance will be levied at a rate of one percent (1%) on income and net profits earned on and after January 1, 2021, by residents of the Borough and on income and net profits earned by non-residents of the borough for work done or services performed or rendered in the Borough. The tax will support general government administration and is expected to raise \$430,000.00.

Second, the Ordinance establishes applicable definitions. Third, the Ordinance sets forth the provisions concerning the imposition of an ongoing tax for general revenue purposes at the rate of one percent (1%) on earned income and net profits of residents and non-residents of the Borough. Fourth, the Ordinance requires every resident receiving earned income or earning net profits in any tax year to file yearly tax returns and pay tax in accordance with the Local Tax Enabling Act and this Ordinance. Fifth, the Ordinance requires every employer within the Borough to register, withhold, and remit tax, and file tax returns. Sixth, the Ordinance provides that the tax shall be collected from residents and employers by a collector appointed pursuant to the Ordinance. Seventh, the Ordinance requires that residents and employers are subject to interest, penalties, costs, and fines including costs imposed by the Collector. Eighth, the Ordinance incorporates all provisions of Act No. 511 of 1965, the Local Tax Enabling Act, 53 P.S. §§6924.101 - 6924.901, and all subsequent amendments, supplements, modifications or reenactments by the General Assembly of Pennsylvania.

Finally, the Ordinance repeals ordinances or parts of ordinances inconsistent with the Ordinance, contains a savings clause, establishes an effective date, and provides that the taxing provisions of the Ordinance will take effect on January 1, 2021.

A copy of the full text of the ordinance is available for review in the rear vestibule of Borough Hall, 300 Bellevue Avenue, Penndel, PA, during regular business hours or can be obtained from the offices of Bucks County Courier Times, located at 2300 East Lincoln Highway, Suite 600D, Langhorne, Pennsylvania, Monday through Friday between the hours of 8:30 a.m. and 4:30 p.m. Additionally, an electronic copy of the proposed Ordinance is available on the Penndel Borough website at <https://www.penndelboro.com>. This notice is published in accordance with the Pennsylvania Borough Code, 6 Pa.C.S. § 101 et seq. and the Pennsylvania Municipalities Planning Code, 53 P.S. § 10101 et seq.

Marie Serota
Borough Secretary/Treasurer
300 Bellevue Avenue
Penndel, PA
11 Aug 7 7355838

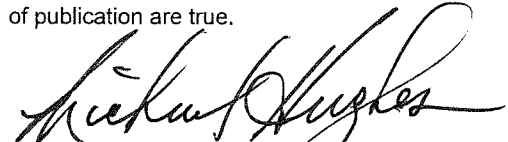
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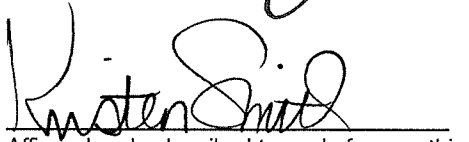
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Michael Hughes being duly affirmed according to law, deposes and says that he/she is the Legal Billing Co-ordinator of the COURIER TIMES INCORPORATED, Publisher of The Bucks County Courier Times, a newspaper of general circulation, published and having its place of business at Levittown, Bucks County, Pa; that said newspaper was established in 1910; that securely attached hereto is a facsimile of the printed notice which is exactly as printed and published in said newspaper on

August 07, 2020

and is a true copy thereof; and that this affiant is not interested in said subject matter of advertising; and all of the allegations in this statement as to the time, place and character of publication are true.


LEGAL BILLING CO-ORDINATOR


Affirmed and subscribed to me before me this 7th day of August 2020 A.D.

Commonwealth of Pennsylvania - Notary Seal
Kristen Smith, Notary Public
Bucks County
My commission expires March 5, 2022
Commission number 1324227

B-3

BUCKS COUNTY LAW LIBRARY

Barbara A. Morris
Director

Courthouse, First Floor
Doylestown, Pennsylvania 18901

Telephone (215) 348-6023
Fax (215) 348-6827

Benjamin W. R. Hauser, Esq.
Hill Wallack LLP
Suite 250,
777 Township Line Road
Yardley, PA 19067

Fax: 215-579-9248

August 6, 2020

PROOF OF FILING ORDINANCE

The Bucks County Law Library acknowledges receipt of the ordinance described below:

ORDINANCE NO. 2020-2

AN ORDINANCE OF THE BOROUGH OF PENNDEL, BUCKS COUNTY, PENNSYLVANIA, AMENDING CHAPTER 368 - "TAXATION," TO CREATE A NEW ARTICLE VII - "EARNED INCOME AND NET PROFITS TAX," TO PROVIDE FOR AN EARNED INCOME AND NET PROFITS TAX

The above proposed ordinance will be considered at a meeting on August 17, 2020 and was filed by Benjamin W. R. Hauser, Esq. on August 3, 2020.

Filing Fee Paid: \$10.00

Thank you,

Sincerely yours,



Barbara A. Morris
Director

Value Engineering Inc



Supporting Community Goals with Professional Service and Solutions

August 17, 2020 Engineers Report

Penndel Borough, Bucks County

Memorial Park Lighting

The new lights have been mounted at Memorial Park, but the antiquated components in the electrical service room are not up to code, nor is the wiring for the basketball court lights. Reports have been provided detailing the findings.

On tonight's agenda is a change order to replace and modernize the various boxes and panels into one code compliant panel. The change order brings the total project cost to \$122,097. The CDBG grant award was \$120,000. Denney Electric has pursued a PECO rebate on behalf of the Borough with an estimated value of \$3,363 which will offset the cost difference. If approved, the work can begin within the week so the ball field lights will be operational.

The second issue discovered was a code compliance problem with the basketball court wiring. New conduits and wiring must be installed to power the lights over the ball courts. The estimated additional costs began at \$20,000. A third of the cost was to dig a 20-inch deep trench for the conduit.

Wildcats football has stepped up to help; they rented a trencher and cut a trench in over the weekend! Huge thank you to Dominic and the other volunteers who made this incredible contribution of time and work.

We are communicating with the County to determine if there are any unused grant funds that might be tapped for the additional \$13,475 change order to properly power these fixtures. I will provide an update in two weeks at the September Council meeting.

Sanitary Sewer Reporting

Mid-year reporting was completed for the sewer system and sent to DEP, reporting on progress with the inflow and infiltration reduction and sewer improvements work described in the Act 537 plan.

I am pleased to report that the average daily flow for the first six months of 2020 is lower by more than 20,000 GPD at pump station 1, and the average daily metered flow leaving the Borough system is also lower.

PENNDEL FIRE COMPANY No. 1
“Organized for the Betterment and Protection of Public Welfare”
220 Centre Street
Penndel, Bucks County, Pennsylvania 19047

September 3, 2020

Penndel Borough Council
300 Bellevue Ave.
Penndel, PA 19047
% Barb Heffelfinger, President

Dear President Heffelfinger:

By way of this letter the officers and members of the Penndel Fire Company are requesting Council's support for our 2021 RDA Municipal Grant Request for Replacement of the Fire Station Roof..

Briefly, the roof of the fire station is a flat roof which covers the entire area of the building. Over the past few years, we've been repairing leaks on an as needed piecemeal basis. The entire roof has been in need of replacement for the past several years. Unfortunately, we've not had the financial ability to fund the cost of total replacement. The estimated cost of this project is \$ 100,000. RDA Grant request is \$ 85,000 and the fire company will contribute \$ 15,000. for a total of \$ 100,000..

The Redevelopment Authority requires the elected body of the municipality through which grant requests are submitted to adopt a formal resolution in support of any Grant Request. We are currently in the process of completing the required RDA Grant Request Forms and supportive documents to be submitted to the Redevelopment Authority through the Borough. We expect these documents to be completed and ready for submission by no later than the week of September 14th.

The RDA requires that 2021 Grant Requests along with supportive documentation and municipal resolutions be completed and submitted to the Redevelopment Authority by no later than Wednesday September 30th at 4:00 pm. It is our understanding that there are no exceptions regarding the closing date for submission of grant requests.

We are bringing this request to council's attention at this time due to the limited number of scheduled council meetings between now and September 30th so that a resolution could be considered for adoption.

With the above consideration in mind, we are requesting Penndel Borough Council to adopt a resolution in support of the fire company's request for 2021 RDA Municipal Grant Funding for Replacement of the Fire Station Roof.

Thank You in advance for your time and consideration.

Respectfully; For the Officers and Members of the Penndel Volunteer Fire Company

Rich Schramm

Rich Schramm, President