

BETHLEHEM CITY COUNCIL MEETING
10 East Church Street – Town Hall
Bethlehem, Pennsylvania
Tuesday, September 5, 2017 – 7:00 PM

INVOCATION

Reverend Monsignor William F. Baver Th.M., M.Div, CCCE, KCHS, Saint Simon & Jude’s Church, offered the invocation followed by the pledge to the flag.

PLEDGE TO THE FLAG

1. ROLL CALL

President Reynolds called the meeting to order. Present were Bryan G. Callahan, Michael G. Colón, Eric R. Evans, Shawn M. Martell, and J. William Reynolds, 5. Olga Negrón and Adam R. Waldron were absent, 2.

2. APPROVAL OF MINUTES

The Minutes of August 15, 2017 were approved.

3. PUBLIC COMMENT (on any subject not being voted on this evening - 5 minute time limit)

Gift Ban Ordinance

Barbara Diamond, 425 Center Street, stated at the last Council Meeting there was discussion of amendments to the Gift Ordinance that is to be voted on tonight but they were not on the website this morning. She would like very much to be able to respond to what is proposed but the way this meeting is structured she will not be able to. Ms. Diamond thinks this is a significant problem with how the public is permitted to engage with their local government. She expressed bringing forward what is considered to be best practices in municipal government regarding ethics has demonstrated to her how unwelcome citizen participation is, especially bringing in the District Attorney who made a number of misleading and even false statements about the comprehensive Ethics Ordinance. She noted that in Tinicum Township where she and her husband have a home, they have been engaged with the Board of Supervisors regarding zoning for Airbnb and the Board has actively solicited their ideas and reactions to their ideas, including providing a draft Ordinance for feedback. Ms. Diamond feels this is how government should interact with its citizens. Ms. Diamond hopes that Council will give some consideration to have this process to be heard might be altered to give citizens a real voice. She also wanted to respond to remarks that were made at the last meeting regarding the method used to develop the comprehensive Ordinance as cut and paste. She pointed out that the method was recommended by the attorney at the State Ethics Commission. He recommended the City of Philadelphia Ordinance as a model and that cutting and pasting was a good way to go about it.

Community Development Committee Meeting – FAIR Program

Dana Grubb, 2420 Henderson Place, mentioned he was unable to attend the Community Development Committee Meeting last week, but wanted to offer a few thoughts regarding economic development program benefits accountability. He highlighted there are conditions in place when someone signs the actual mortgage for a rehab loan or grant. Mr. Grubb stated if a homeowner receives a \$10,000 dollar grant to bring their home up to code, they agree to do a number of things such as they agree to live in it, agree to continue to pay the taxes, agree to maintain insurance on the property, agree to add the City as an insured, and there are a number of conditions that they are required to do. Regarding accountability with a number of these economic development programs, Mr. Grubb suggests that anybody who participates in these programs should enter into a contract with the City that stipulates a number of conditions such as he just mentioned and also other conditions that would allow the City to measure the success of the programs. They would then be held accountable by having to report certain data. He agrees with what is trying to be pursued. He continued to say that when he managed a number of State programs as the Grants Administrator for the City that type of data was asked for by the State but was often very difficult to get from businesses because when you call them up on the phone and ask how many jobs they created sometimes they do not want to deal with you. Formalizing the arrangement through some sort of a contract alerts them in advance that they know they are on the hook to do certain things and allow that type of measurement to take place.

Mayoral Election

Artie Curatola, 813 Laufer Street, stated he was born and raised in Bethlehem and wants to make Bethlehem a trend setting City and that Philadelphia will be looking at things we are doing here and cutting and pasting. Mr. Curatola pointed out that he is running for Mayor of Bethlehem as a write-in, and regardless of the outcome, he will not stop to make things happen in the City. He expressed that if he does get elected his salary will go back in the City budget because he does not believe that elected officials should take money from the taxpayers. Mr. Curatola truly feels that if someone gets to the age of 40 and does not have investments and annuities in stocks and bonds to take care of their own family, they cannot run our City. He stated that he hopes he does not offend anyone, but that is the way he and most of the people feel in the City. Mr. Curatola went on to say that we should not just be wearing red, white and blue on holidays that are for veterans; we should be wearing something every single day to show you are proud to be an American. Mr. Curatola mentioned he knows what it is like living on the south side of Bethlehem and he knows what it was like going to Broughal Middle School back in the 1960's and he knows how to make the City safe. He stated he will stand next to any of the Police Officers who put their lives on the line every day, and if he became Mayor he would be the one talking if someone was held hostage; he would tell them to put down their weapon.

Police Officers

Bruce Kovacs, 703 Yeates Street, mentioned he has lived here for 52 years, and added that half of the people here would not even know there are 35 homes on the east side of Stefko Boulevard. He continued to say that his son committed suicide on March 1st. Mr. Kovacs called 9-1-1 and said his son had given him a suicide note. He expressed all the police were worried about was finding where he was, they were not worried about talking him down or anything. They did

not even realize that he was in the garage. He remarked they did not like his son because he knew what the Police could do and could not do. Mr. Kovacs stated he has one Police Officer on video that made his son walk backwards for a whole City block, for what, because he wanted to help his brother move a refrigerator and because his name was Kovacs. He expressed if your name is Kovacs you get pulled over and cited for it. Mr. Kovacs expressed that his 22 year old son died on his birthday. He stated if your son is sitting inside a garage up in a cold attic with no way to escape and he threatens to commit suicide, don't you think there should be a negotiator there to try to talk them out of suicide. He remarked his son was talking to Mr. Kovacs' wife on her car phone and she was trying to calm him, but all the police wanted to do was to get him. No one said a single word to his son and then they pulled the steps down and you heard a pop. He noted officers came running out of his workshop and running towards him and the one cop said the spring broke. Mr. Kovacs mentioned one officer said that does not look good. Mr. Kovacs stressed that eight times he screamed to the police to get up there and get his son, but they did not move. He expressed he left voice messages for Mayor Donchez for several months, and recorded himself leaving a message on his message machine. He continued he still does not have an inventory of what they took. As far as him making the comment that the Cops killed his son, he said they killed him because they did not follow protocol. Mr. Kovacs noted the things they have in evidence are his possessions and they will not give it back to him and they will not let him finish his final son's wishes by giving a letter to his girlfriend. They have the original and they also have the copies. Mr. Kovacs explained the police came into his house with no permission, went to his son's room and took the note from under his pillow. He noted as far as the Chief of Police, everything is nothing but a lie on this letter that you looked at. The girl still lives there; we did not harass them; they never moved out. Regarding his son's clothing, he stated we called the coroner, and the detective said he picked nothing up, but the coroner said that the detective signed for it, and 20 minutes later the detective was standing there with the evidence bagged. He continued someone said they have body cams and call the Desk Sergeant. He asked if he had to fill out a Right to Know to get a copy of the tape from the body cams, but was told no, because they do not have body cams. He remarked it is time to tell the truth.

Kristine Kovacs, 703 Yeates Street, informed that March 1st she lost her son on his 22nd birthday. His death occurred and we were not even told if he was dead or alive. Finally, the Police removed him and offered no condolences. We were not told for a half hour if he was taken to the morgue or the hospital. Finally a police officer said you should go to the hospital, your son is still alive. Ms. Kovacs stated she went to the hospital and was told that her son passed away. She expressed if someone a half hour prior to this had told her where he was going or someone offered to take her where he was she could possibly have been with him for his last breath. She stated the police officers knew she was on the phone with him. She arrived at the house and went to step into the garage where her son was, but she was not permitted to go further. She remarked if she were allowed in there her son could possibly be with her today. Ms. Kovacs explained her son meant the world to her and she meant the world to him. Ms. Kovacs noted the Police pulled the stairs down and they came running out like her husband said and they said it was a shotgun that we heard. She got in her car and drove to a parking lot where she called her older son and said he should be there. They went back to find her husband lying on the ground as they were wheeling her son out of the garage. Ms. Kovacs had to explain to her oldest son what happened. She continued he started to run across the street to Dylan's girlfriend and a police officer grabbed him and put him in a car. He never threatened anyone and never said the girl's name. Ms. Kovacs told the Officer that she needed a hug from Matt and that he needed to be with us, but the Officer asked

how old he is and said he would give him a hug for her. Ms. Kovacs stressed that Police Officers should have more consideration for people that have just witnessed their son committing suicide or being shot by an Officer, which she is questioning because her son is right handed. Ms. Kovacs expressed no one offered to take us anywhere or offered to console us. They just left us out there and went through our house and a half hour later stated he possibly may be alive.

Mr. Kovacs interjected that the ambulance drove away at 25 mph, no lights or sirens. He stated also we were told that he was gone, yet they moved his body and a coroner did not come. If he was alive the ambulance just drove out slowly with him taking their time.

Nelson Brown, 4171 Wellington Drive, mentioned he is Dylan Kovacs grandfather. Mr. Brown does not know what happened but he was at home when he received a phone call telling him that Dylan has shot himself. He could not believe that his grandson shot himself because he was always a jolly kid. He remarked he went to the house and saw everyone going in every direction because no one knew what to do. He heard that there was a possibility that he was still alive, but where do you want to be when your son or daughter is dying, you would want to be with them. He just felt that things took too long to happen.

First and Second Courtesy of the Floor

Bill Scheirer, 1890 Eaton Avenue, mentioned as he understands the purpose of the second courtesy of the floor at the beginning of the meetings is for the public to comment on items to be voted on at the meeting. In order to comment effectively it is necessary to know what one is commenting on. He also understands that amendments may be offered this evening as was discussed at the last meeting to the Ordinance with Gift Ban in the title. He expressed that he has not seen the amendments and therefore cannot comment on the precise language. Even though if there are amendments that would be voted on, this would seem to undermine the purpose of the courtesy of the floor.

4. PUBLIC COMMENT (on Ordinances and Resolutions to be voted on this evening - 5 Minute Time Limit)

Gift Ban Ordinance

Paige Van Wirt, 42 West Market Street, mentioned while what she has to say today is important what has happened to the Kovacs family is really tragic and she is very sorry. As she stated before her remarks today are not meant to imply any untoward conduct by this Council or Administration, however she remains deeply concerned about future Councils and future Administrations, particularly in regards to this Ordinance reliance on self-policing. She stated that while Council may not be frequently asked direct questions from a speaker, I am going to do so. Ms. Van Wirt stated she asks that Council answer succinctly and not have their answer time count towards her five minutes. She expressed her first question is whether the vote tonight for the gift ordinance is final passage or will it be modified and voted upon again?

President Reynolds stated this is her opportunity to speak and as traditionally the case the comments from the audience are often referenced in when people make their individual comments, but this is your five minutes to speak.

Ms. Van Wirt informed she understands. She quoted a question from the Pennsylvania Sunshine Act Open Meeting law regarding the public asking questions during the comment period and the response that the public can ask questions, and although an answer is not required, it is good practice to do so. The other questions she had were about some possible proposed changes to the proposed gift ordinance. Ms. Van Wirt was concerned about not having the opportunity to review, talk, and digest proposed changes before being voted upon tonight. She expressed these are serious procedural concerns. She expressed the citizens have a right to read and debate proposed changes to City laws prior to those changes being discussed and acted upon. Ms. Van Wirt noted she could not find wording that addresses this specific situation, however according to the Sunshine Law citizens have the right to know ahead of time what the representatives are passing on their behalf. In addition to procedural concerns she still has enormous concerns about substantive issues. She pointed out in the body of the amended Ordinance there is repeated reliance on "reasonable interpretation" and queried who is doing the interpreting? If it City employees or Officials then that is open to abuse. Ms. Van Wirt remarked "Reasonable interpretation" is a legally vague term and in ethical parameters we should rely on much clearer standards. In the Exceptions, under 1(c), she asked why would a gift from a business associate be exempt from the gift restriction of \$100 or whatever you set it at? A public servant cannot even have the appearance of impartiality. Gifts over \$100 from business acquaintance/friends are not necessary and are exactly what we are trying to eliminate. Ms. Van Wirt explained that another concern is for the rest of the Exceptions listed - B, D, E, F and J. It is the same argument. If a gift under \$100 or whatever you cap it at is allowed by your above definition of gifts why prohibit these nominal gifts? Nominal means very small, far below the retailer value costs, so why are we even laying out exceptions to it in the rule itself? She continued to say if admissions to a charitable, civic, political or other public event are over \$100, then the public official should not take the ticket or should pay for the event themselves. If it is less than \$100, then okay, over \$100, not okay. This Council is establishing a precedent that states it is okay for an Administration to police itself. Ms. Van Wirt remarked this is not strong government. It is leaving the door wide open to abuse. Ms. Van Wirt informed public servants give up a degree of personal gain and particularly elected officials when they agree to serve to work for the citizens. This means avoiding by all means the appearance of impropriety. She concluded this proposed Ordinance, even with whatever amendments that we were not allowed to see that are being proposed for tonight, does not go far enough to reassure the citizens of Bethlehem that their interests are being put first and foremost. We can and have to do a better job.

Al Bernotas, 1004 Johnston Drive, related he is sorry to hear about the tragic situation that the Kovacs have gone through. Mr. Bernotas is at this meeting representing the Sister City Commission, Tondabayashi, Bethlehem. The reason he is at this meeting is that the people on the Sister City Commission are concerned about this Gift Ban Ordinance because over the last 50 years the City of Tondabayashi in Japan has been exchanging gifts with the City of Bethlehem. The Commission members being extremely scrupulous were concerned if this Ordinance would impact the ability to have gifts go back and forth plus the fact that the Sister City Commission actually does have a line item in the budget so they do spend some money. The Ordinance says "any individual serving as a member of a City Commission". It says "Shall not include members of advisory boards that have no authority to expend public funds," but we do have authority to expend public funds, even though they are miniscule. Mr. Bernotas mentioned we seem to be excluded with another line in this which says "Commissions that are

not required to file a State of Financial Interest with the State Ethics Commission are excluded from this." So that creates a conundrum, we do have public funds, we do not file reports, but can we continue to do business with the City of Tondabayashi as we have been doing for the last 50 years. The Commission members would like some word documentation from either the Mayor's office or the City Solicitor just to clarify this situation so they do not get themselves in any kind of trouble.

Dana Grubb, 2420 Henderson Place, mentioned that he finds it curious that the proposed Gift Ordinance has not been referred to Committee much like the more comprehensive Ethics Ordinance. That is where the nuances of proposed Gift Ordinance should be worked out. He finds it even more curious that some on this Council are more concerned with establishing loopholes for the acceptance of gifts than just choosing to close them. Mr. Grubb stated in addition he read there was a lot of discussion about potential amendments to this Ordinance at the initial meeting yet nothing has been submitted ahead of time. Regarding tickets, for several decades he maintained a network of ticket brokers and friends for the purpose of procuring the best seats at the concerts. He remarked that there are two prices for every ticket, the face value and the real value. Mr. Grubb related that none of you should be able to receive the gift of event tickets from anyone and the same should apply to all public employees. Paying the face value on a ticket that is actually selling for two to five times that value would be unethical. Public officials and employees should have to compete in the primary and secondary ticket markets exactly as their constituents do. Mr. Grubb continued with the gift of cookie trays, tins of popcorn, and cases of wine and fruit baskets which he said used to flood the Department of Community and Economic Development at Christmas. Public employees and elected officials already are being paid to do their jobs, and gifts are not part of the compensation package. He stated calling them a thank you is disingenuous. He mentioned that at one time someone offered to buy him a suit because he had provided them with a list of affordable housing developers doing work in Bethlehem. Mr. Grubb informed he declined saying he was only doing his job and suggested that they contribute to a non-profit to benefit the community, which they did and mentioned his name. He noted condoning gifts for public officials and employees is an insult to the taxpayers. Mr. Grubb advised the right thing to do is ban all gifts and until you do the Ordinance is nothing but mere political window dressing. Acting ethically and being ethical are rather easy if you are ethical to begin with.

Barbara Diamond, 425 Center Street, noted she hopes that Council will vote to limit gifts to zero, or at most, a few dollars. The benefit of zero is that it is very clear and no one has to keep track of amounts. She stated there is simply no reason to accept gifts of anything of value from people who can be benefited by your official action or who might benefit you, your family, your business, etc. Ms. Diamond explained gifts and campaign contributions are where officials most often get in trouble and so why not take gifts out of that equation. She noted that sound enforcement is where accountability and transparency come into play. At the last meeting the City Controller asked you to amend the Ordinance to reduce the power of his office in enforcement. Our Ordinance described in detail, a comprehensive process for lodging a complaint by the public, preliminary and full investigations, hearings, evidence, a findings report, an appeals process, and all kinds of due process procedures. Most importantly it was undertaken by an independent investigator free of political influence. Ms. Diamond stated this proposed Ordinance falls far short in this area; she hopes Council has come up with something more specific this time. She queried whether the public knows about the hotline and how anyone would know

of their complaint is acted upon. At both the State and other cities that have passed comprehensive ethic reform, the process is confidential. We understand that is important but the findings are made public on the website. There seems to be no whistleblower protection, no protection about false or malicious complaints and of great concern is that investigations of violations are undertaken by someone internal to the City government. Ms. Diamond expressed the Ordinance should be amended to rectify these problems. This Ordinance should increase transparency and accountability regarding enforcement otherwise gift limits or other changes you might make have no meaning. She remarked a nebulous process as outlined in the previous Ordinance is basically no enforcement. Finally, you have chosen to undermine the best approach to ethics reform, a comprehensive Ordinance by taking this piecemeal approach. Ms. Diamond remarked we pointed out when you passed the mandatory training Ordinance that you will create problems down the road. That training is only to the State statute but now you are throwing in your own City Ordinance. The State does not train to that and they will not enforce it. Ms. Diamond pointed out you have created confusion and also plausible deniability; that is not real reform and not in the best interest of Bethlehem.

Stephen Antalics, 737 Ridge Street, stated he did not intend to speak but the two speakers reminded him of a story. A few years back a colleague of his was transferred to a European Country they corresponded by letter writing. He noticed that he wrote profusely and received no answers and subsequently learned that when you got a stamp from the person in the post office you had to buy two stamps, one stamp went on the letter and the other went in the employee's pocket. Mr. Antalics stated that everyone knew it and they accepted it because the salary was so low they had to get by with this sort of action. He was thinking about this and he thought, are any City employees that work in the local government so underpaid that they cannot exist without a subsidy from private or from citizens. If they are that underpaid then raise them to a level where they can live comfortably. Mr. Antalics informed that brings up the idea of a gift, if they are satisfied with their salary and are getting by then why a gift. If you look at the Webster definition of a gift it says for a service provided but if that service is provided with their salary then why a gift. So if you can justify a gift in those terms then pass this Ordinance but if you cannot justify it then this Ordinance should be dead because you are inviting trouble. As some mentioned here the Gift Ordinance should say zero dollars, or zero material. If you want to do the ethical and moral procedure here you will then either kill this Ordinance or in the Ordinance say zero dollars.

Artie Curatola, 813 Laufer Street, explained that he definitely agrees and has to say he does not know anybody from the City that has accepted gifts; he knows many that have refused gifts. He has been brought up to never accept gifts because you will owe favors, never lend money because you will make enemies, and never borrow money. Mr. Curatola is an artist and he is put on the guest list on many different events and he can get into certain shows for free but he will pay his way, he is glad to support fellow artists. If he is at an event or a benefit he will pay the freight, he will write out a check to help. Mr. Curatola knows that is how many of you are who are in the City, although there are some exceptions. He does agree that Ordinance should say zero dollars for gifts.

Bill Scheirer, 1890 Eaton Avenue, denoted on the Gift Ban Ordinance he hopes that the reasonable man language will be scrapped. As the Council Solicitor pointed out at the last meeting, this is ultimately a subjective standard. Mr. Scheirer stated this reminds him of a judge's quote that he could not define obscenity but he knew obscenity when he saw it. Fortunately

banning gifts is a subject that can be dealt with by using objective standards. The first of these objective standards is simply to ban all gifts of food, hotels, travel, and tickets to events. The second is to ban all gifts of cash or items easily converted to cash. The third objective standard is to set a limit on gifts. At the last meeting a figure of \$100 dollars was mentioned a number of times. Mr. Scheirer stated that \$100 a month over an election cycle is \$4,800 dollars and that is way too much. He has heard there is some talk of setting a limit of zero dollars. Mr. Scheirer will be a little contrary with this. He provided a scenario where a Council Member is having lunch with a developer, each paying for his or her own lunch and the developer offers a pen to the Council Member whose pen has run dry. The Council Member appreciates the gesture since it will be needed for use at another meeting. Mr. Scheirer noted technically this would be violation of the zero dollar limit and suggested a limit of one or two dollars. Mr. Scheirer stated with a limit this low it is probably not necessary to be concerned about a sum total of gifts from a given developer over an entire election cycle. He noted that if there is a limit on gifts it should apply to exemptions. In other words if you keep an exemption for travel or hotels or ticket events the limit should apply to those exemptions. We do not want a limit of \$100, \$50, \$5 or \$2 dollars, and then somebody gets \$1,000 dollars-worth of travel. Exemptions should be subject to a limit. Mr. Scheirer informed another concern is the role of the Controller who agrees that the proposed Ordinance gives too much power to the Controller. Mr. Scheirer continues to favor an Ethics Review Board, but if you still want to work through the Controller at least initially he would leave it to you with some trepidation to develop language that is effective and transparent where it should be transparent.

Megan Angelo, 1816 Maple Street, advised she is also at this meeting to speak about the Gift Ban Ordinance. She agrees with everyone that this should be a simply zero dollar no gifts statute. She actually empathizes with Council on this because she was thinking about how she faces this issue herself. Ms. Angelo stated she works in the world of magazines and in this world people send you many things such as clothes, beauty products. She has worked places where it is a zero dollar limit and she has worked places where it is a \$50 dollar limit. She found it to work a lot better at the zero dollar places because she has always found that the things she let sit on her desk for years and years because they were \$49.95 could be problematic. She remarked that she never felt like she really nailed how to take \$50 dollars out of her perspective on something if she was reviewing a product or a television show or anything in between. Ms. Angelo feels like this is commonsense. She is a little confused about the haggling that goes on about the difference between zero and \$100 dollars. To her it does not seem like it would change anyone's life but she would love to hear from Council on what we are missing here in the nuances.

5. OLD BUSINESS

- A. Members of Council
- B. Tabled Items
- C. Unfinished Business

6. COMMUNICATIONS

- A. *Assistant City Solicitor – Use Permit Agreement – ArtsQuest – Allentown Diocese Event*

The Clerk read a memorandum dated August 14, 2017 from City Solicitor William P. Leeson, Esq., to which is attached a proposed Resolution and Associated Use Permit Agreement

with ArtsQuest for the Allentown Diocese Event. The duration of the agreement is September 24, 2017 and the location is First Street from Polk Street to the eastern terminus; Founders Way from First Street to Second Street.

President Reynolds stated Resolution 10 D is on the agenda.

B. Public Safety Business Manager – 2017 Edward Byrne Memorial Justice Assistance Grant

The Clerk read a memorandum dated August 30, 2017 from Jennifer Hogan, Public Safety Business Manager to which is attached a required Resolution to accept the 2017 Edward Byrne Memorial Justice Assistance Grant, which will be used by the Police Department to continue improvements in computer hardware and software.

Motion –Schedule Public Hearing

President Reynolds stated he will accept a motion to schedule a Public Hearing on Tuesday, September 19, 2017 at 7:00 pm in Town Hall.

Mr. Callahan and Mr. Colón moved to schedule the Public Hearing.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Motion passed.

President Reynolds stated the Public Hearing will be held on Tuesday, September 19, 2017 at 7:00 pm in Town Hall.

C. City Solicitor – Use Permit Agreement – Runner’s World – Runner’s World Trail Run, and Runner’s World Half Marathon and Festival

The Clerk read a memorandum dated August 31, 2017 from City Solicitor William P. Leeson, Esq. to which is attached a proposed Resolution and Associated Use Permit Agreement with Runner’s World for the Runner’s World Trail Run and Half Marathon and Festival. The duration of the agreement is October 19-22, 2017 and the location is South Mountain; First Street from Polk Street to the eastern terminus; Founders Way from First Street to Second Street.

President Reynolds stated the Resolution can be placed on the September 19 agenda.

D. City Solicitor – Use Permit Agreement Amendment – Celtic Fest, Inc. d/b/a Celtic Cultural Alliance – Celtic Classic 2017, 2018, and 2019

The Clerk read a memorandum dated August 31, 2017 from City Solicitor William P. Leeson, Esq. to which is attached a proposed Resolution and Associated Amendment No. 1 to the Use Permit Agreement with Celtic Fest Inc. d/b/a Celtic Cultural Alliance. The amendment is to add several parking lot locations to the Use Permit previously approved by City Council.

President Reynolds stated Resolution 10 E is on the agenda.

- E. *Deputy Director of Community and Economic Development – Keystone Communities Grant Application – Development of Blight Remediation Loan Fund*

The Clerk read a memorandum dated August 31, 2017 from Amy Burkhardt, Deputy Director of Community and Economic Development to which is attached a required Resolution to apply for a \$250,000 Keystone Communities Grant to be used to develop a blight remediation loan fund.

President Reynolds stated Resolution 10 F is on the agenda.

- F. *Director of Budget and Finance – Recommendation of Award – Maximus Consulting Services, Inc.*

The Clerk read a memorandum dated August 31, 2017 from Mark W. Sivak, Director of Budget and Finance recommending a contract with Maximus Consulting Services for the 2017, 2018, and 2019 Cost Allocation Plan. The term is three years and the fee for the contract is \$39,750.

President Reynolds stated Resolution 10 G is on the agenda.

7. REPORTS

- A. *President of Council*

President Reynolds noted that after discussion with the Mayor, the first Northside 2027 Meeting, which will be open to the public, is tentatively scheduled for Wednesday, October 18, 2017. It will be a Moravian College and there will be more information coming. He believes it will be at 4:00 pm. Once again, this will be open to the public with representatives from Moravian and the Bethlehem School District and many people from the Community. President Reynolds does encourage everyone on Council to put that on their calendar if they have the opportunity to attend.

- B. *Mayor*

1. *Administrative Order – Donna Taggart – Bethlehem Revitalization and Improvement Authority*

Mayor Donchez appointed Donna Taggart to membership on the Bethlehem Revitalization and Improvement Authority effective through November, 2021 completing the term of Gretchen Longenbach Rice who has moved out of the City. Mr. Colón and Mr. Martell sponsored Resolution 2017-166 to confirm the appointment.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

2. *Administrative Order – Ward Van Haute - Fine Arts Commission*

Mayor Donchez appointed Ward Van Haute to membership on the Fine Arts Commission effective through August, 2020. Mr. Colón and Mr. Martell sponsored Resolution 2017-167 to confirm the appointment.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

3. *Administrative Order – Alexander O. Ward – Fine Arts Commission*

Mayor Donchez appointed Alexander O. Ward to membership on the Fine Arts Commission effective through February, 2019 completing the term of Yesenia Perez who has resigned from the Commission. Mr. Colón and Mr. Martell sponsored Resolution 2017-168 to confirm the appointment.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

CRIZ Announcements

Mayor Donchez reported he held a press conference this afternoon announcing two CRIZ projects. The former Dempsey's location on the west side by the Westgate Mall will be a CRIZ designated site, and the Wilbur Mansion Masonic Temple property is also going to be recommended for CRIZ.

C. *Community Development Committee*

Chairman Martell stated the Community Development Committee met on Tuesday, August 29, 2017 at 6:00 pm in Town Hall. The members of the Committee reviewed and discussed the proposed the Financial Accountability Incentive Reporting (F.A.I.R.) Program with the Administration. This was for information only and no action was taken.

CRIZ Designations

Mr. Evans mentioned he is familiar with the Wilbur Mansion project but he wondered about the CRIZ project at Dempsey's and if that has a stated use at this time.

Mayor Donchez reported the intention of the owner of the property, Mr. Mark Pepitone is to demolish the building and build a new office building with possibly three or four tenants.

8. ORDINANCES FOR FINAL READING

A. *Bill No. 30 – 2017 – Amending Article 117 – Officers and Employees – Adding Restriction on Acceptance of Gifts*

The Clerk read Bill No. 30 – 2017 – Amending Article 117 – Officers and Employees – Adding Restriction on Acceptance of Gifts, on Final Reading.

Mr. Evans wanted to begin by thanking Councilman Colón and Councilwoman Negrón, who is not at this meeting tonight, for continuing to spearhead the ethics reform and move it in a positive direction. He also wanted to thank Councilman Callahan for moving this Gift Ban Ordinance forward. As we have talked and stated over the last several months there are different parts of the proposed comprehensive Ethics Ordinance and different approaches. Mr. Evans thinks it has been effective moving through these one by one and spending time with each Ordinance. The education Ordinance was one page, clear and the simplicity will be effective. Education is a critical component of any legislation that is to last the test of time. Mr. Evans mentioned this Ordinance is a little more difficult. He believes it was two weeks ago that President of Lehigh University reached out to Council, along with the Mayor, and thought it was a great idea to invite Council to come up and talk about some of the growing projects we have in working with Lehigh. He pointed out it was very enlightening, this was transparent; and they had a great conversation about how Lehigh wants to continue the partnership with the City and South Bethlehem. Mr. Evans stated that is something that gets caught up in this if we are not careful to make sure that we have exceptions that are fair and appropriate. Another simple example is something like cookies. He referenced his family made cookies for a baptism that they went to on Sunday and make extra to take some of those into school. He remarked this is just being polite. There needs to be some sense of reasonableness about what we are talking about when we talk about gifts. We all see the dangers in gifts when we mix them with politics with any position of influence. Mr. Evans is glad this is being discussed and mentioned it will be impossible, as much as we try, to close every loophole. He expressed we will keep battling to try and stop corruption but this Ordinance does a nice job of making very clear what is and is not an acceptable practice in Bethlehem.

Mr. Evans stated he has six different amendments but he will not present all of them. He apologized for not having them all distributed; he was not sure where he was going with them. Mr. Evans pointed out that there are nights even when we have a second reading where we can propose amendments; that is part of what we do. We will discuss an Ordinance at First Reading and listened to citizens before the meetings. He highlighted that even on the nights of those meetings, things can change. In between sometimes we meet with another Council Member. Mr. Evans did not do that; he did not have a chance to sit down with other Council Members so he built these six amendments himself with no surprises, and they are based on what was discussed at the last meeting. He will adapt the six and maybe pull one or two out and make adjustments. Mr. Evans wondered if others should speak before he offers his amendments.

President Reynolds asked if any Member of Council would like to make any comments before Mr. Evans makes his proposed amendments. He pointed out there will be the opportunity after the Bill is amended, and before we vote on it, for any additional comments from Council Members on the Ordinance, as amended.

Mr. Martell looks forward to these amendments. He was not at the last meeting but had the chance to look over the conversation at the last meeting and there was a lot of good dialogue from citizens and from Council Members. He is happy to see the momentum that was built up that started with Ms. Negrón and Mr. Colón is continuing and coming to fruition. He continued to say that the core of this gift ban goes back to Mayor Donchez' gift ban that he instituted with his Administration. Mr. Martell thanked Mr. Callahan for bringing this forward

and allowing us to have this conversation and thanked Mr. Evans for his amendments. He also expressed that he is looking forward to the Ordinance that President Reynolds is working on.

Mr. Colón stated he agrees with Mr. Martell and he also agrees with the amendments that Councilman Evans forwarded to us over the weekend. Many of us are on the same page with the comments that came from the audience three weeks ago. He is looking forward to the conversation.

President Reynolds informed he wanted to thank the Administration and Solicitor Leeson's office as well for the comments. As Mr. Martell stated Mayor Donchez was the one who got the ball rolling with the gift ban in 2016 in which they had released an internal gift policy for employees, which was the first thing in this realm. President Reynolds added that he wanted to thank Mr. Leeson and his office for their feedback, and Council Solicitor Spirk for his look at this to shore up some of the language.

Mr. Evans began with his amendments to Bill No. 30-2017 and noted he has six amendments and one or two are just simple housekeeping issues. He numbered them to keep the conversation organized.

Amendment No. 1 to Bill No. 30-2017-Withdrawn

Mr. Evans remarked that Amendment No. 1 concerns Section 117.05 – Definitions and the definition of "Gift", but this is an amendment he will not offer. We have talked about should a number be \$1 or \$2 dollars or should it be \$25 or \$100 dollars. He thought it should be zero because there are exceptions for "reasonable" which is on the next page. He thought to originally offer this one but he will not make this amendment at this time.

Amendment No. 2 to Bill No. 30-2017

Mr. Evans continued with Amendment No. 2 which came out of the last meeting with regarding our discussions on how to handle the prohibited gifts. Amendment No. 2 is to strike that paragraph to remove any idea of what is reasonable and what is not reasonable in the prohibited gifts.

Mr. Evans made the motion that we strike the entire paragraph, which is the definition of Prohibited Gifts. He had mentioned that he wanted to do this at the last meeting. Mr. Colón seconded the motion.

President Reynolds mentioned this is now open for discussion on the amendment. He asked Solicitor Spirk to explain what this means to delete this language.

Solicitor Spirk informed as he understands it the Ordinance that was originally proposed would only apply to ban gifts under circumstances where a reasonable person would infer if there was some type of attempt to influence. In the comprehensive 33 page Ethics Ordinance that was originally proposed that would have applied to only those gifts where a person was seeking influence or where a person had financial interest in something coming before Council in close proximity in time. The State gift ban applies only to those gifts where

there is an understanding between the parties that someone was to be influenced. Solicitor Spirk explained in all of those circumstances it was not applying to all gifts, just certain kinds of gifts. By deleting the definition of "Prohibitive Gifts" as proposed in Amendment No. 2 it will apply to all gifts regardless of whatever a reasonable person would think was going to happen, whether someone was seeking interest or whether there was an understanding. It removes all of that and as he understands it would just apply to all gifts. There would not have to be a threshold determination of were they trying to get something by the gift; did they have an issue coming before Council; have some financial interest; what would a reasonable person say. You would not have to go through that process. Solicitor Spirk added there are still exceptions that exist later on in the Ordinance but as a threshold issue it would apply to all gifts.

The Clerk read Amendment No. 2 to Bill No. 30 as follows:

117.05 RESTRICTION ON ACCEPTANCE OF GIFTS

That Section 117.05 (b) DEFINITIONS that reads as follows:

"Prohibited gifts" are gifts made when a reasonable person would infer there has been an actual or attempted effort to influence the employee in the discharge of that employee's duties to benefit the donor or another party with treatment more favorable than accorded the public generally.

Shall be deleted.

Voting AYE on Amendment No. 2 to Bill No. 30-2017: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Amendment passed.

Amendment No. 3 to Bill No. 30-2017

Mr. Evans continued with Amendment No. 3 and noted that this is something that our Solicitor picked up on. Mr. Evans made the motion that under 117.05(c) Gift Restriction, the sub-section in paragraph 117.05(c)(1) should read as Section 117.05(b). Mr. Colón seconded the motion.

The Clerk read Amendment No. 3 to Bill No. 30 as follows:

117.05 RESTRICTION ON ACCEPTANCE OF GIFTS

That Section 117.05 (c) GIFT RESTRICTION that reads as follows:

- (1). City employees are prohibited from soliciting or accepting prohibited gifts as defined in Section 117.05 of this ordinance for which an exception does not apply.

Shall be amended to read as follows:

- (1). City employees are prohibited from soliciting or accepting prohibited

gifts as defined in Section 117.05**(b)** of this ordinance for which an exception does not apply.

President Reynolds mentioned this is now open for discussion on the amendment.

Mr. Martell noted we might have created another housekeeping issue just because we do not have a definition for "Prohibited Gifts" at this point. Would it be intended to say gift as opposed to prohibited gift is referring to a definition that is not there or as it not being defined would it be not interpreted as a definition to be defined in that way.

Solicitor Spirk remarked we do not need the prohibited there anymore. At the time Mr. Evans had not decided to eliminate the prohibited gifts definition. But he would agree that it would be clearer if it said "accepting gifts", rather than "prohibited gifts".

Mr. Evans amended the motion to including deleting the word "prohibited" before the word gifts in that same paragraph. Mr. Colón seconded the motion.

Voting AYE on Amendment No. 3 to Bill No. 30-2017: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Amendment passed.

Amendment No. 4 to Bill No. 30-2017-Withdrawn

Mr. Evans mentioned Amendment No. 4 is under Exceptions 117.05 (d) (1) (a) that starts with "When a gift has a clear market value". This is something that Mr. Waldron spoke of that raised his curiosity. "When a gift has a clear market value and is one that is also available for the public purchase the employee may accept the gift provided the City employee pays its face value." Mr. Waldron had queried at the last meeting, if you are paying face value, how is that even a gift. He thought to remove that, but it says publicly listed price or fair market value so maybe, based on what we heard tonight, if it is a higher price on the open market or something that is substantially higher value than the face value, it might be worth keeping that in there, so he will withdraw this amendment.

Amendment No. 5 to Bill No. 30-2017

Mr. Evans explained that Amendment No. 5 is under Exceptions 117.05 (d) (1) (J) regarding travel. There is a paragraph that covers items that he thinks are reasonable when we talk about charitable political events. For this amendment his motion will be to strike the words "complimentary travel for official purposes." We talked about the slippery slope that might be involved with that so he thought those words should be taken out. Mr. Evans motion would be to delete "complimentary travel for official purposes." Mr. Colón seconded the motion.

President Reynolds asked the Clerk to read the amendment before the discussion.

The Clerk read Amendment No. 5 to Bill No. 30 as follows:

117.05 RESTRICTION ON ACCEPTANCE OF GIFTS

That Section 117.05(d) EXCEPTIONS that reads as follows:

(1)(J) Non-pecuniary awards publicly presented, in recognition of public service, and occasional non-pecuniary gift of nominal value, ~~complimentary travel for official purposes~~ and/or admissions to charitable, civic, political or other public events, and also exclude canvassing and other non-professional time of volunteers.

Shall be amended to read as follows:

(1)(J) Non-pecuniary awards publicly presented, in recognition of public service, and occasional non-pecuniary gift of nominal value, and/or admissions to charitable, civic, political or other public events, and also excludes canvassing and other non-professional time of volunteers.

Voting AYE on Amendment No. 5 to Bill No. 30-2017: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Amendment passed.

Amendment No. 6 to Bill No. 30-2017

Mr. Evans stated the last amendment he was interested in proposing at this time is Amendment No. 6 and falls under 117.99 Investigation, Enforcement, Penalty, subsection (b). This paragraph talks about the City Controller having "the authority to investigate alleged violations and enforce penalty provisions of Section 117.05 of this Ordinance, and, for the purposes of hearing or investigation, shall have the authority to issue subpoenas in the name of the City and signed by the City Controller and to compel testimony." Mr. Evans was interested in adding a sentence to the end of subsection 117.99(b). Mr. Evans made the motion to add the sentence "The Controller may also refer any matter for further investigation by appropriate authorities." We have separation of powers in government that the Controller could look towards, but more in the legal sense. The Administration could go to Council, and if it is a Council issue it could go to the Administration for advice. He could make phone calls to the State or phone calls to the District Attorney and he could investigate. Mr. Colón seconded the motion.

President Reynolds asked the Clerk to read the Amendment.

The Clerk read Amendment No. 6 to Bill No. 30 as follows:

That Section 117.99 INVESTIGATION, ENFORCEMENT, PENALTY that reads as follows:

(b) In addition to any other investigation, enforcement, and penalty provisions of state or city law, the City Controller shall have the authority to investigate alleged violations and to enforce the penalty provisions of Section 117.05 of this ordinance, and, for the purposes of hearing or investigation, shall have the authority to issue subpoenas in the name of the City and signed by the City Controller, and to compel testimony.

Shall be amended to read as follows:

(b) In addition to any other investigation, enforcement, and penalty provisions of state or city law, the City Controller shall have the authority to investigate alleged violations and to enforce the penalty provisions of Section 117.05 of this ordinance, and, for the purposes of hearing or investigation, shall have the authority to issue subpoenas in the name of the City and signed by the City Controller, and to compel testimony. **The Controller may also refer any matter for further investigation by appropriate authorities.**

Voting AYE on Amendment No. 6 to Bill No. 30-2017: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Amendment passed.

Mr. Evans mentioned the comment that Mr. Bernotas had about the problem of a gift ban with our Sister Cities and the giving of gifts. He asked if Solicitor Spirk had any additional thoughts of comments on how that may be addressed in this Gift Ban Ordinance.

Solicitor Spirk noted as it stands now based on his representation that they are not among the category of individuals who have to file State Ethics finance forms with the State so they would be excluded. He also is not sure, but he would imagine the gifts he was talking about were gifts to the City rather than gifts to individual members. But, in an event, because they are not required based on his representation to file State Ethics Act financial disclosure forms pursuant to this definition, the Ordinance would not apply to that.

Debarment Amendment

President Reynolds stated he has one amendment to offer. He knows Controller George Yasso had a question at the last meeting that was in the Gift Ban Ordinance. His concern was what would happen, not if any elected official did something wrong, but if it was determined by the Law Bureau and the Administration and Controller that a vendor or someone who did business with the City of Bethlehem tried to influence or do something that would not be correct. The question that Mr. Yasso had is what would be the policy for reinstatement of this company. If you have an employee of a firm that makes a mistake and they fire that employee, there is nothing in this Ordinance that sets out a process. He queried does that mean that they are barred from doing business with the City forever; does that mean 5 or 10 years? President Reynolds had the City Clerk do some research, and believes the State is 3 years. He will forward that information to Mr. Yasso. President Reynolds believed the best thing with this Ordinance is to amend that to have the Controller work with the Law Bureau to develop some type of reinstatement policy or at least a policy for someone to be able to apply to do business with the City after so many years and criteria in those circumstances. He hopes we could add this language in the Ordinance to allow the Controller's office to work with Legal in the coming weeks to develop some type of policy and share that with City Council and the public so everyone could see what it was. He suggests that under Section 117.05 (f) Debarment to add a sentence at the end stating "The Controller, in conjunction with the Law Bureau, shall develop a reinstatement policy for debarred contractors, vendors, professional or other parties." President Reynolds made the motion to amend 117.05 (f) to add that sentence. Mr. Evans seconded the motion.

The Clerk read the Amendment made by President Reynolds as follows:

That Section 117.05 (f) DEBARMENT that read as follows:

(f) DEBARMENT

The Mayor shall have the authority to debar a contractor, vendor, professional or other party deemed in the Mayor's or the Controller's judgment to have either attempted to influence or in fact influenced a City employee in the discharge of that employee's duties by providing or attempting to provide prohibited gifts.

Shall be amended to read as follows:

(f) DEBARMENT

The Mayor shall have the authority to debar a contractor, vendor, professional or other party deemed in the Mayor's or the Controller's judgment to have either attempted to influence or in fact influenced a City employee in the discharge of that employee's duties by providing or attempting to provide gifts. **The Controller, in conjunction with the Law Bureau, shall develop a reinstatement policy for debarred contractors, vendors, professional or other parties.**

Mr. Yasso mentioned as with housekeeping that the word "prohibited" in (f) Debarment should be deleted also.

President Reynolds amended his motion to also delete the word "prohibited" since it is now called just gifts. Mr. Evans seconded the motion.

Voting AYE on the Amendment to Bill No. 30-2017: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Amendment passed.

President Reynolds commented as his colleagues have stated, this is a product of a lot of input from different community partners. There was input from the citizens, City Council, Administrative, Legal and the Controller. It is really a combination of what has been before us over the past two years with the Mayor's gift policy. He thanked Mr. Callahan as well for looking at what the Administration had, reaching out to all the different partners and taking into account many different thoughts. President Reynolds does think that the method for going forward with the District Attorney's advice with doing this as an individual Ordinance rather than a comprehensive way is one that we have to trust.

President Reynolds mentioned he does think that Mr. Evans produced amendments that followed up on conversations that occurred at the last Council Meeting. He remarked that he recalled the time, and Mayor Donchez was here as well, when many criticized the fact that amendments were not published, or not being happy when people had proposed amendments that they kept to themselves up until the night of the meeting. Tonight there were no surprises. These were things that were talked about at the last meeting. He continued to say that often times the amendment process is that we come to these meetings, and we might be on the fence about which way to go on certain things and not sure how we will vote, and then people show up, it might be one person or fifteen people, that share a feeling or believe. Similarly, Mr. Evans

heard feedback and decided to change his mind on some of these amendments. President Reynolds emphasized that the amendment process is one that obviously requires some conversation not only between colleagues but also between citizen input. We all have email addresses and can be reached by the public. He can speak for himself that when people email him and ask specific questions such as is he planning on doing something at the meeting, he will answer them. He noted to take away the idea that we would just have amendments that would come up at this meeting or at any meeting where we have a conversation would somewhat defeat the purpose of legislative deliberation following public comment. President Reynolds believes this is a step in the right direction as far as transparency and accountability are concerned, and this sets up a process from education to reporting, not just internally but also externally if anyone believes someone is breaking the law. We did hear from Mr. Morganelli a few weeks ago when he mentioned that they have investigated every single complaint they have ever received

Mr. Callahan thanked the Mayor, the City and City Council Solicitors, Council Members and the Administration. Little by little, at the end of the day we will get to where Ms. Negrón and Mr. Colón's Ethics Ordinance was at. We started with the Ethics Training Ordinance by Mr. Martell, which was a step forward and we will continue.

Voting AYE on Bill No. 30-2017 as amended: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. Bill No. 30 - 2017 now known as Ordinance No. 2017 - 30 was passed on Final Reading.

9. NEW ORDINANCES

A. *Bill No. 31 - 2017 - 2011 Guaranteed Lease Revenue Bond - Refinancing*

The Clerk read Bill No. 31 - 2017 - 2011 Guaranteed Lease Revenue Bond - Refinancing, sponsored by Mr. Colón and Mr. Evans and titled:

AN ORDINANCE

OF THE COUNCIL OF THE CITY OF BETHLEHEM, LEHIGH AND NORTHAMPTON COUNTIES, PENNSYLVANIA, AUTHORIZING AND DIRECTING THE ISSUANCE OF TAX EXEMPT GENERAL OBLIGATION BONDS, SERIES E OF 2017 ("2017E BONDS" OR "BONDS") IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$23,000,000; PROVIDING THE PROCEEDS OF THE BONDS SHALL BE APPLIED TO CARRY OUT THE ADVANCE REFUNDING OF THE REMAINING OUTSTANDING BETHLEHEM AUTHORITY'S GUARANTEED LEASE REVENUE BONDS, SERIES A OF 2011 ("201 1A BONDS" OR "PRIOR BONDS"), WHICH ARE GUARANTEED BY THE CITY; DETERMINING THAT SALE OF THE BONDS SHALL BE A PRIVATE SALE UNDER THE ACT, AND DETERMINING THAT THE BONDS SHALL BE NONELECTORAL DEBT OF THE CITY; FIXING THE INTEREST PAYMENT DATES, DENOMINATIONS AND REGISTRATION, TRANSFER AND EXCHANGE PRIVILEGES OF THE BONDS AND PROVIDING FOR BOOK ENTRY BONDS; SETTING FORTH THE MATURITY DATES, PRINCIPAL MATURITIES AND CURRENT INTEREST RATES OF EACH SERIES OF BONDS AND ESTABLISHING A REQUIRED SCHEDULE OF PAYMENTS WITH RESPECT TO THE SINKING FUND, AS HEREINAFTER ESTABLISHED, IN ORDER TO AMORTIZE THE

BONDS; ESTABLISHING THE REDEMPTION PROVISIONS OF THE BONDS; ACCEPTING A BID FOR PURCHASE OF THE BONDS AND AUTHORIZING EXECUTION OF THE BOND PURCHASE PROPOSAL; DESIGNATING A PAYING AGENT AND REGISTRAR; DESIGNATING A PLACE AND METHOD OF PAYMENT OF THE BONDS AND INTEREST THEREON AND MAKING CERTAIN COVENANTS WITH RESPECT TO THE TAX FREE STATUS OF THE BONDS THEREOF; ESTABLISHING THE SUBSTANTIAL FORMS OF THE BONDS; DESIGNATING A SINKING FUND DEPOSITORY; COVENANTING TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY TO SUCH PURPOSE; ESTABLISHING A SINKING FUND FOR THE BONDS AND AUTHORIZING AND DIRECTING PAYMENT THEREFROM; SETTING FORTH CERTAIN RIGHTS OF THE PAYING AGENT AND BONDHOLDERS IN THE EVENT OF DEFAULT AND OTHER RIGHTS OF THE PARTIES WITH RESPECT TO THE BONDS; PROVIDING FOR THE CIRCUMSTANCES UNDER WHICH THE ORDINANCE MAY BE AMENDED OR MODIFIED; PROVIDING FOR THE TERMS, CONDITIONS AND COVENANTS WITH RESPECT TO THE BOND INSURER, IF ANY, FOR THE BONDS; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE CITY TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY THE ACT UPON INCURRING OF SUCH DEBT BY THE CITY; AUTHORIZING AND DIRECTING PROPER OFFICERS OF THE CITY TO DELIVER THE BONDS UPON EXECUTION AND AUTHENTICATION THEREOF, UPON RECEIPT OF PROPER PAYMENT OF THE BALANCE DUE THEREFOR, AND ONLY AFTER SPECIFIED APPROVAL, AS REQUIRED, OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA; SETTING FORTH CERTAIN COVENANTS RELATING TO THE FEDERAL TAX STATUS OF THE BONDS; PROVIDING FOR COMPLIANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12; COVENANTING TO PAY OVER AT SETTLEMENT SUFFICIENT MONIES TO PROVIDE FOR THE PAYMENT OF THE PRIOR BONDS IN ACCORDANCE WITH THE REFUNDING PROGRAM AND AUTHORIZING AND DIRECTING CERTAIN OTHER ACTIONS AND APPROVING DOCUMENTATION WITH REGARD TO THE REFUNDING PROGRAM, PROVIDING FOR THE ISSUANCE OF IRREVOCABLE INSTRUCTIONS TO THE PAYING AGENTS FOR THE PRIOR BONDS TO CALL SAID PRIOR BONDS FOR REDEMPTION, AND ESTABLISHING THE FORM OF SUCH IRREVOCABLE INSTRUCTIONS AND THE NOTICE OF REDEMPTION; PROVIDING FOR SEVERABILITY OF PROVISIONS OF THE ORDINANCE; PROVIDING FOR REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES SO FAR AS THE SAME SHALL BE INCONSISTENT; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

President Reynolds thanked the Administration for their work on this. He knows they are always looking for ways to look at our short term and the long term financial picture. He thanks Mr. Brong and Mayor Donchez who looked at this as far as this being a good financial decision for us.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. Bill No. 31 – 2017 was passed on First Reading.

10. RESOLUTIONS

- A. *Authorizing Execution of Use Permit Agreement for Public Property – Greater Lehigh Valley Chamber of Commerce, by and through its Downtown Bethlehem Association – 2017 Harvest Fest*

Mr. Colón and Mr. Martell sponsored Resolution 2017-169 that authorized the execution of an Associated Use Permit Agreement between the City of Bethlehem and the Greater Lehigh Valley Chamber of Commerce, by and through its Downtown Bethlehem Association for use of Nevin Place (adjacent to Sun Inn Courtyard) and Main Street from Broad Street to Church Street for the 2017 Harvest Fest on October 7, 2017, according to the terms of the Agreement.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

- B. *Approving Records Destruction – Police Department*

Mr. Colón and Mr. Martell sponsored Resolution No. 2017-170 that authorized the destruction of records from the Police Department.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

- C. *Authorizing Execution of Highway Safety Project Grant – DUI Program – Community Traffic Safety Project*

Mr. Colón and Mr. Martell sponsored Resolution No. 2017-171 that authorized and directed the Mayor and Controller to sign all necessary grant documents for the Highway Safety Project - DUI Program - Community Traffic Safety Project Grant No. CTSP-2018-Bethlehem City-00022.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

- D. *Authorizing Use Permit Agreement for Public Property – ArtsQuest – Allentown Diocese Event*

Mr. Colón and Mr. Martell sponsored Resolution 2017-172 that authorized execution of the Use Permit Agreement between the City of Bethlehem and ArtsQuest for the use of First Street from Polk Street to the City's Terminus and Founder's Way from Second Street to First Street for an Allentown Dioceses Event on September 24, 2017 from 8:00 AM to 8:00 PM.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

- E. *Approving Amendment to Use Permit Agreement – Celtic Fest, Inc. d/b/a Celtic Cultural Alliance – Celtic Classic 2017, 2018, and 2019*

Mr. Colón and Mr. Martell sponsored Resolution 2017-173 that authorized to execute Amendment No. 1 to the Use Permit Agreement with Celtic Fest Inc. d/b/a Celtic Cultural Alliance for the 2017, 2018 and 2019 Celtic Classic Highland Games and Festival.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

F. *Authorizing Grant Application – Keystone Communities Grant – Development of Blight Remediation Loan Fund*

Mr. Colón and Mr. Martell sponsored Resolution 2017-174 that approved the grant application for the Keystone Communities Program to develop a blight remediation loan fund.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

G. *Authorizing Contract – Maximus Consulting Services, Inc.*

Mr. Colón and Mr. Martell sponsored Resolution 2017-175 that authorized a contract with Maximus Consulting Services for the 2017, 2018 and 2019 Cost Allocation Plan.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolution passed.

Motion – Considering Resolutions 10 H through 10 L as a group – Certificates of Appropriateness

Mr. Callahan and Mr. Evans moved to consider Resolutions 10 H through 10 L as a group.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Motion passed.

H. *Certificate of Appropriateness – 123 West Fourth Street*

Mr. Colón and Mr. Martell sponsored Resolution 2017-176 that granted a Certificate of Appropriateness to repaint the front door and resurface the existing sign at 123 West Fourth Street.

I. *Certificate of Appropriateness – 230 East Third Street*

Mr. Colón and Mr. Martell sponsored Resolution 2017-177 that granted a Certificate of Appropriateness to install several window and door signs and place a moveable/sandwich board sign in the public right-of-way at 230 East Third Street.

J. *Certificate of Appropriateness – 822 East Fourth Street*

Mr. Colón and Mr. Martell sponsored Resolution 2017-178 that granted a Certificate of Appropriateness to replace aluminum windows with stationary and single-hung windows at 822 East Fourth Street.

K. *Certificate of Appropriateness – 310 East Third Street*

Mr. Colón and Mr. Martell sponsored Resolution 2017-179 that granted a Certificate of Appropriateness to install new signage at 310 East Third Street

L. *Certificate of Appropriateness – 321 West Fourth Street*

Mr. Colón and Mr. Martell sponsored Resolution 2017-180 that granted a Certificate of Appropriateness to replace windows, downspouts and gutters; also, to restore the siding, trim and woodwork at 321 West Fourth Street.

Voting AYE on Resolutions 10 H through 10 L: Mr. Callahan, Mr. Colón, Mr. Evans, Mr. Martell, and Mr. Reynolds, 5. The Resolutions passed.

11. NEW BUSINESS

Condolences

Mr. Evans communicated that he is sorry for Mr. and Mrs. Kovac's loss and offered condolences.

Committee Meeting Announcements

Chairman Evans announced a Parks and Recreation Committee Meeting will occur on Tuesday, October 10, 2017 at 7:00 pm in Town Hall. The subject will be the Municipal Golf Course.

Chairman Martell announced a Community Development Committee Meeting will occur on Tuesday, October 10, 2017 at 6:00 pm in Town Hall. The subject will be the proposed 2018 CDBG and HOME Programs.

Sands Casino

Mr. Martell queried about the copy of the letter to the Sands leadership that they received and the copy of the memo regarding the slots revenue in the third quarter. He asked if Mayor Donchez could provide an update on what is going on with the Sands and the State legislation.

Mayor Donchez mentioned that Mr. Brong could offer specifics about the slots revenue. Mayor Donchez reported in his conversation with Senator Patrick Browne, his Chief of Staff and Senator Lisa Boscola and her Chief of Staff, Joseph Kelly, the legislators go back in session on September 11 and the hope is to have a Resolution on this matter. They feel very confident that the whole number of \$9.8 million dollars will be given to the City, but the question is the matter

of when will the State budget pass. They feel confident in the end we will have the \$9.8 million dollars. Mayor Donchez added that he did send some new memorandums to the new President and CFO of Bethlehem Sands, Brian Carr, regarding the importance of the Host Fee to the City of Bethlehem, and Members of Council did receive that memorandum. Council also received a copy of the letter from Attorney James Broughal that was sent to him today regarding the very important track of land west of the Community College for a garage that we have been discussing for a number of years. Mayor Donchez pointed out that Brian Carr knows the importance of that property for the development of a garage in that corridor and he also knows the priorities to develop that site. He continued if the Sands does not want to develop it, then they should sell it off to developers who have an interest in that site, and also start some repairs on the number two shop specifically the roof and the wall. These are issues he has discussed with Mr. Carr, and several times has been in the newspaper. Mayor Donchez noted the question regarding the Host Fee is when will the State have their budget.

Mr. Brong informed right now we have received \$7.6 million dollars for the Host Fee. We expect probably another half a million dollars of table games revenue through the end of the year so we will probably land at a point somewhere over \$8 million dollars against a budget of \$9.8 million dollars. This does start to impact the City. At this point in time the run rate of the receipts is now being impacted by the legislation, and the fact that it has been revoked and considered illegal. Mr. Brong reported that we have about \$19 plus million dollars in the bank which is about \$1.6 million dollars more than we had this time last year. We will be good throughout the end of the year without an issue. We could be good to go for some time there after, but more importantly, we are about ready to release our audit which is very good and we will do that before the end of September. Mr. Brong stated along with that release we will be accessing the capital market for the refinancing. Our credit rating is going to be reconsidered by S & P based on the audit and based on this financing. In our opinion they need to act now; someone needs to act now. The legislation needs to get this done or the Sands needs to step up and bridge until the legislation is resolved. Mr. Brong advised this event of refinancing and the associated credit analysis is very important to the City and we are anxious to see the response.

Mayor Donchez added he does have a scheduled lunch meeting with Senator Browne on Friday and they will discuss the budget.

Mr. Martell knows we have talked about this numerous times throughout the past year and what to do when we get in this situation. We of course hoped it would not happen but that is all we could have done. There was some solace at the time that there were plans so it is unfortunate that we are here now and waiting on others to step up and make things right. Mr. Martell stated we need to keep vigilant and hope things get worked out.

Mayor Donchez then wanted to pick up on a key point that Mr. Brong made reference to about the increase in cash. That again is the partnership of the Administration working with City Council together. Both of us have made some very difficult decisions over the past few years and we are seeing the end result of a good cash balance and last year two upgrades in our bond rating.

Mr. Callahan asked Mr. Brong how many casinos in the State have come up with separate agreements with the host cities, other than the Sands.

Mr. Brong thinks many have, he cannot say that all others have but he believes most others have.

12. ADJOURNMENT

The meeting was adjourned at 8:55 p.m.

ATTEST:

City Clerk