

BETHLEHEM CITY COUNCIL MEETING
10 East Church Street - Town Hall
Bethlehem, Pennsylvania
Tuesday, March 5, 2019 - 7:00 PM

INVOCATION

President Waldron asked for a moment of silence which was followed by the pledge to the flag.

PLEDGE TO THE FLAG

1. ROLL CALL

President Waldron called the meeting to order. Present were, Bryan G. Callahan, Michael G. Colón, Shawn Martell, Olga Negrón, J. William Reynolds, Paige Van Wirt, and Adam R. Waldron, 7.

Welcome Boy Scout Troop 352

President Waldron welcomed Boy Scout Troop 352 of the Notre Dame Church of Bethlehem to this meeting. The scouts in attendance are working on their Citizenship in the Community Merit Badge.

PUBLIC HEARING

President Waldron announced prior to the consideration of the regular Agenda items City Council will conduct a Public Hearing to receive public comment on the request for the Inter-municipal Transfer of Restaurant Liquor License No. R-20144 previously issued to Valley View Inn and Restaurant, Inc. for licensed premises located at 794 Sunrise Boulevard, Mount Bethel, Northampton County, Pennsylvania to 226 East Third Street, Bethlehem, Northampton County, Pennsylvania.

Attorney Theodore Zeller of Norris McLaughlin explained he is representing Kevin Luna, the main Principal in Bethlehem Meat and Produce Corp. and many know this as C-Town on the south side. Attorney Zeller noted Bethlehem has one of the most detailed applications out there in an inter-municipal liquor license transfer world so he has extra handouts for Council. He explained this is an inter-municipal license transfer request to 226 East Third Street in Bethlehem, Pennsylvania. This is the C-Town grocery store that has been in existence in south Bethlehem since 2013. Mr. Luna and his partner, Mr. Juan Diaz, who could not be at this meeting, are the 100% owners of the corporation. C-Town is a grocery store operating now for six years and their hours of operation are limited. Those hours are Mondays through Saturdays 7:00 am to 9:00 pm and those hours will not change in any way, shape or form. Attorney Zeller pointed out Mr. Luna's partner owns several grocery stores and we have a license currently that is about to open up in Allentown, and another pending in Reading. All the hours are the same; it is not their business model to be operating late in the evening. They will have seats which will meet the requirements of 30 seats, and the Sunday hours will be from 8:00 am to 8:00 pm. There will be no live entertainment and there will be no bar. He continued there will be no distilled spirits and a

two drink maximum. Attorney Zeller mentioned the handouts show that the store is a very clean store and added they have received some accolades for their work in south Bethlehem. They have received recognition from Lehigh University, acknowledging their contributions to the community, and on May 15, 2016 they received a Best of Bethlehem Historic District Award from Mayor Donchez. That award was actually given to Bethlehem Realty LLC who did the retro fit of the building. They have done their work on the south side, are members of the community and are not going anywhere. Attorney Zeller believes it is important now to take the next part of the handout, which is the plan, to go over exactly where the service of beer and wine will be located in the facility, which on the map is in the back right corner that will be the only area where beer and wine will be available. The nice thing about this area is it really sets up what we call an effective retail corral for security purposes. He noted on the map you can see that beer is completely sealed off and not in an aisle. The wine shelf, which makes a hallway on the other side of the cold beer refrigerator section back to the cooler, will be at least five feet high so it will actually separate itself from the seats. He informed you will only be able to access wine from that aisle. That will then lead out all the way to the register which is near the bottom left hand corner of the map. Attorney Zeller explained anybody who is picking up beer or wine has to pass by that cashier and has to leave out of the building by that cashier. In addition, that cashier will have a view of everybody seated there, but all alcohol will have to be rung out at that sale point. There will be no multiple registers; it is what we call the effective retail corral. Attorney Zeller expressed there will also be security cameras throughout the premises and we depicted the placement of those cameras on the zoom in. They are right outside the cooler looking down. There are six cameras and those are just security cameras for this particular areas. There will be other security cameras throughout the facility. The other attachments that are in the handout are specifics on the type of security systems they have purchased; also we will have a 100% carding policy because it is the best responsible way to administrate alcohol service. The particular scanner they will have to utilize is purchased and all the information and the specs on that scanner are depicted on part of the handout. Attorney Zeller denoted this is a grocery store, but it is a restaurant liquor license. He affirmed there is no grocery store license yet in the Commonwealth of Pennsylvania. This is the exact type of license necessary for his client to be able to serve up to two six packs to go and up to four bottles of wine to go. They will get a wine extended permit.

President Waldron thanked Attorney Zeller and pointed out this is a good amount of information. We recently had another liquor license transfer come in with a lot less information so this is nice to see this research has been done. He queried what will be the storage use for the space in the right hand corner that is labeled "cooler".

Attorney Zeller noted there will be no access for customers; it will be actually be supply for the cold beer area that is shown to the right.

President Waldron then asked about the in store consumption policies.

Attorney Zeller informed it is a two drink maximum. They are actually not going to permit wine consumed on premises. There will be single serve beer; there will be no draft system and no filling growlers. Someone would be able to buy two singles and consume it only the seated area but that would be all.

President Waldron wondered if that would be monitored by the same cashier.

Attorney Zeller replied yes and they will also have other personnel who will be monitoring it.

Mr. Luna pointed out they will have people who will be certified to work there, as well as others will have certification.

President Waldron queried how many staff members would be overseeing the sale and service area.

Mr. Luna noted this is just a proposal and needs to be inspected and approved, but they are thinking two people at the time of opening.

Mr. Colón noted they went over the hours of operation Monday through Saturday 7:00 am through 9:00 pm and Sunday 8:00 am to 8:00 pm and asked if beer and/or wine will be purchased from open to close those days.

Attorney Zeller replied yes, although with the new changes to the law he might have to hold them to 9:00 am on Sundays.

Mr. Colón observed he likes the layout and appreciates all of the information, and as President Waldron said we do review some of these and sometimes we have less information. He does like there will be a hallway not allowing for people to enter or exit without having an employee there.

Dr. Van Wirt advised the last time we had someone in front of us asking for the same thing it came out later that there was not enough parking spots in the facility because there are certain zoning requirements that you have to fulfill. She queried if this will cause them to need any more parking spots that you do not have, or will this cause you to go before the Zoning Hearing Board asking for any variances.

Attorney Zeller confirmed this area in south Bethlehem is actually parking exempt. We did rectify that other problem and with the information we gave you here we are reacting to what you want as best we can so we can give you all the information necessary. That other zoning matter did get fixed. You will see that despite the fact that this is parking exempt, there is ample amount of parking on the right side of the building for this particular establishment.

Dr. Van Wirt noted they are not selling liquor, but if they do decide to sell liquor will that prompt a change and will they have to ask for approval or can they just start doing it without any oversight.

Attorney Zeller stated they would be able to do it without any further approval. He added there is no bar and it is really not their business model. They are not changing their food service. They are increasing their seats from 6 to 30 because the Pennsylvania Liquor Control Board rules require that you have 30 seats; they would just like to keep it as 6 but, those are the rules.

Dr. Van Wirt remarked there are a lot of food deserts in Bethlehem and C-Town provides a fundamental presence for the south side. She hopes that this does not change the ability of the

people in that area to obtain fresh fruits and vegetables and good quality food because you can probably make more money with beer and liquor. They do such a good service so she hopes it always stays the way it is.

Mr. Luna pointed out it will.

Attorney Zeller emphasized Mr. Luna had stated to him before this hearing that this will not be their bread and butter; this is just more about being a compliment of service to their customers.

Ms. Negrón mentioned that C-Town is one of her favorite places to shop and she was very happy to see them come to the south side of Bethlehem because she was going to Allentown all of the time. She remembers seeing that there are C-Town stores in Connecticut, New Jersey and other places. She stated this model with selling beer and wine is in other C-Town stores and it works. Ms. Negrón is glad they are expanding their business. As was said, this business does provide food for a food desert that we do not have any more on the south side.

Mr. Callahan thanked Mr. Luna and his partner for investing on our City. He advised anytime anyone comes into Bethlehem and is willing to put their hard earned money into a business in our City he wishes him all the luck. Hopefully having beer and wine will expand that business and make him more successful. He added every time he drives by C-Town it is always very clean outside and very well kept.

Mr. Reynolds thanked them for the detailed information and pointed out the reputation of the store is remarkable. He has never heard one complaint about the store or their presence in the community. When you establish that type of business and you do things the right way and come here and say what you want to do, it becomes that much easier for us to say yes. He thanked Mr. Luna for not just providing this information but also for operating the way that you have, which makes these conversations easier for us.

President Waldron queried what this area of the store will be replacing and what is there currently.

Mr. Luna informed they had a fish market in that area of the store, but that did not do too well and has been closed for over two years. We have some room in the back also that we will open up.

Attorney Zeller expressed this is just about the license. We have to go through all of the permitting processes and other things.

Public Comment

None.

President Waldron announced the Resolution can be placed on the March 19, 2019 agenda.

President Waldron adjourned the Public Hearing at 7:20 pm.

2. APPROVAL OF MINUTES

The Minutes of February 5, 2019 and February 19, 2019 were approved.

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

Floyd Simmons Armory

Mary Toulouse, 1528 West Market Street informed her concern tonight is about the use of Live Work Unit in a residential area and the precedent that this usage has for all residentially zoned areas. She referenced the Peron Development variance request for the Floyd Simmons Armory. Ms. Toulouse noted in its current state the Live Work Unit section, from what she sees of the Ordinance, lacks some needed parameters. She asserted it does give some examples, attractive examples, primary examples of possible artistic occupations of possible residents but it does not seem to provide the needed safeguards especially as it concerns the word "office". Ms. Toulouse expressed there is no clarification for the word "office" in the text. She asks what could be the potential use of such an open ended office in any of the other zoned residential areas of the City. She would ask Council to consider amending the Live Work Unit section before the Zoning Board is tasked with interpreting it. She suggests to review and provide some substance to this live work section and how many of these usages there are in total in the City, what types of businesses have been encompassed and how many, if any, are there in residential areas. In addition, Ms. Toulouse asked what the examples are of Live Work Units in other cities, and what has it become in other places and what if the Live Work Unit resident is an artist, who rents the space as a studio. If a tenant leaves, does the designation remain with the space? Ms. Toulouse wondered who will double check these units to make sure the applicants are following the restrictions, the home occupation. She remarked lawful uses are already difficult to monitor. In many cases it is the neighbors who have to call. Ms. Toulouse remarked they are wondering and hoping that the Zoning Officer will soon be in place to look into some of these things. She is alerting Council to what they see as a potential problem and that some clarification be provided of this part of the Ordinance.

Parking Authority/Mayor's State of The City/Bethlehem Moment

Ed Gallagher, 49 West Greenwich Street expressed the Parking Authority has not had a meeting in January or February. His notes indicate that they will come back to Council in the first quarter of this year with information about money for the garage and he would assume that would have been talked about at meetings. There were a few other things when the Mayor gave approval to the parking meters such as like to look into variable rate financing that many people who come to the meetings are interested in. Mr. Gallagher would like to make a proposal about the Mayor's State of the City address. He noted that he started following city government a year ago and did not learn about the Mayor's address until it was done. He informed he found it on the City's website and there were many good things in that talk. The talk is given at a Chamber of Commerce event and it does not seem quite right to him. It seems to him the talk should be addressed to the public, to the City somehow, not primarily in that venue. He thinks this is wonderful opportunity for the Mayor to talk about the good things that are going on and is asking for reconsideration of that. He continued with Bethlehem Moment number seven. Hilda Doolittle, known as HD, was a world famous writer who was born in 1886 and died in 1961. She

was a Bethlehem native whose family home was on this very spot on Church Street. She was living in London when the German Luftwaffe resumed bombing raids after months of inactivity. HD then was a middle aged woman shattered by fear as the tidal wave of terror swept. Mr. Gallagher informed in this agonized state Ms. Doolittle had a vision of a ceremony during the 1740's on Wunder Island, an island then in the Monocacy Creek, behind the Brethren's House on Church Street. It was a ceremony of cultural exchange in which the Moravian, Anna Von Follen is initiated into the Native American culture, and Native American Morning Star is baptized Moravian. It was ceremony embracing the wisdom that could make "A United Brotherhood, a Unitas Fratrum of the whole world," but which the later more conventional Moravians condemned as a scandal and erased from Moravian cultural memory. The original Moravian possibility of a Unitas Fratrum is still there Ms. Doolittle said and her subsequent work is marked by the energetic urge to engage and transform world events with a vision of power and peace.

Humor and Professionalism

Stephen Antalics, 737 Ridge Street expressed over the years he has attended a reasonable number of Council Meetings and has observed behavior of people in the audience, Council and the President of Council. Recently, he has noticed the use of humor at a Council Meeting. He acknowledged that humor is a powerful tool because it does a lot of good, but humor when it becomes subjective and when directed to a person, could take on another role, touching on mockery. Mr. Antalics informed he feels obliged to say this because a learned scholar spoke at this podium and used physical gestures to make points a number of times and the response from the President of Council then imitated this scholar in a similar manner. He felt it was uncalled for because in a sense it was slightly mocking. Mr. Antalics referenced a comment that was made at another meeting regarding how much an absent Council Member of that meeting speaks, which brought some laughter to the room. Mr. Antalics stated this touches on the meaning of a person's character. He noted that he does not recall in the all City Council meetings he has attended where humor was used at all or humor made subjective. He suggested that in the future, objectivity and professionalism reign.

Zoning Hearing Board

Bill Scheirer, 1890 Eaton Avenue commented the Moravians, according to a 19th Century historian, were the most successful of any European group in American when it came to missionary work among the Indians. He continued to say that unfortunately, as Dr. Paul Larson has pointed out, their vision of the relationship with the Indians was overwhelmed by the rest of the American settlers with a different vision on how to relate to the Indians. Mr. Scheirer moved on to second the remarks of Ms. Toulouse and point out another reason why he thinks the Zoning Hearing Board is so favorable to developers. He stated the Zoning Hearing Board meetings are not conducted like City Council meeting where a speaker comments from the podium. They have chairs in an arc facing the people who are sitting in at the Council table, so it is like a committee meeting around a big table. The citizens on the other hand have to stand at the podium or at the microphone. There is a symbolism in this that the developers are closer to the Zoning Hearing Board than the public. If you are on the Zoning Hearing Board and you have these smiling faces in front of you, they are very respectful and say they hope you can grant us what we are seeking and it is harder to say no, than if they were standing here or there. He asserted this is another reason why developers almost always get their way.

4. PUBLIC COMMENT (on ordinances and resolutions to be voted on by Council this evening - 5 Minute Time Limit)

None.

5. OLD BUSINESS

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

6. COMMUNICATIONS

A. *Director of Community and Economic Development - Keystone Grant - Bethlehem Area Public Library*

The Clerk read a memorandum dated February 15, 2019 from Alicia Karner, Director of Community & Economic Development to which is attached a proposed Resolution regarding the Bethlehem Area Public Library's Keystone Grant request to the Pennsylvania Department of Education. The Library seeks to install an elevator for Library patrons at its South Side Branch. The application requires the funds to be awarded to a sponsoring municipality and passed through to the Library.

President Waldron stated Resolution 10 B is on the agenda.

B. *Director of Public Works - Recommendation of Award - Wampole-Miller Inc. - Traffic Signal Upgrade at Main and Broad Streets*

The Clerk read a memorandum dated February 19, 2019 from Michael Alkhal, Director of Public Works recommending a contract with Wampole-Miller Inc. for the Traffic Signal Upgrades at Main and Broad Streets. The term of the contract is 60 days substantial completion, 90 days final completion and the fee for the contract is \$198,794.27.

President Waldron stated Resolution 10 C is on the agenda.

C. *City Solicitor - Use Permit Agreement for Public Property - American Association of University Women, Bethlehem Branch - 2019 Book Fair*

The Clerk read a memorandum dated February 27, 2019 from City Solicitor William P. Leeson, Esq. to which is attached a proposed Resolution and Associated Use Permit Agreement for the 2019 Book Fair. The Permittee is the American Association of University Women, Bethlehem Branch. The event is scheduled for April 1, 2019 - April 29, 2019 and the location is the Earl E. Schaffer Ice Rink.

President Waldron stated the Resolution can be placed on the March 19 agenda.

D. *City Solicitor - Use Permit Agreement for Public Property - Work to Live, LLC d/b/a Run Lehigh Valley - Brew to Brew Run Event*

The Clerk read a memorandum dated February 28, 2019 from William P. Leeson, Esq., City Solicitor to which is attached a proposed Resolution and Associated Use Permit Agreement for the Brew to Brew Run Event. The Permittee is Work to Live, LLC doing business as Run Lehigh Valley. The duration of the lease is one day; April 6, 2019 from 8:00 am to 4:00 pm with a rain date of April 13, 2019 and the location is Nevin Place, adjacent to the Sun Inn Courtyard and Main Street from Church Street to Broad Street.

President Waldron stated the Resolution can be placed on the March 19 agenda.

7. REPORTS

A. *President of Council*

1. *Councilmanic Appointment – Marilyn D. Kelly – Bethlehem Human Relations Commission*

President Waldron reappointed Marilyn D. Kelly to membership on the Bethlehem Human Relations Commission effective until March, 2022. Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2019-058 to confirm the reappointment.

Mr. Colón informed he has served on the Human Relations Commission for the last few years with Ms. Kelly, and can say she is very dedicated volunteer on the Commission attending just as many meetings as anyone else on the Commission and taking the work very seriously. That is one of those Boards and Commissions that we struggle to fill here in the City. We are always looking for people to step forward to volunteer. He is glad that she has decided to stay on for another term.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt and Mr. Waldron, 7. The Resolution passed.

Area Wide Optimization Program Award-Water Filtration Plant

President Waldron announced on behalf of City Council he would like to congratulate Mr. Boscola and the City employees involved in Water Filtration Department for being recognized for the 11th year in a row with the Area Wide Optimization Program Award. He informed AWOP is a national filter plant optimization effort among numerous States, the Environmental Protection Agency, the Association of State Drinking Water Administration and their local Municipalities.

B. *Mayor*

8. ORDINANCES FOR FINAL PASSAGE

A. *Bill 2 - 2019 – Amending Treasurer’s Salary*

The Clerk read Bill No. 2 - 2019 – Amending Treasurer’s Salary on Final Reading.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt and Mr. Waldron, 7. Bill No. 2 - 2019 now known as Ordinance No. 2019-02 was passed on Final Reading.

B. Bill No. 3 – 2019 – Amending 2019 General Fund – General Fund Adjustments

The Clerk read Bill No. 3 – 2019 – Amending 2019 General Fund – General Fund Adjustments on Final Reading.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt and Mr. Waldron, 7. Bill No. 3 - 2019 now known as Ordinance No. 2019-03 was passed on Final Reading.

C. Bill No. 4 – 2019 – Amending 2019 Non-Utility Capital Improvement Fund – 2018 Year End Adjustments

The Clerk read Bill No. 4 – 2019 – Amending the 2019 Non-Utility Improvement Fund – 2018 Year End Adjustments on Final Reading.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt and Mr. Waldron, 7. Bill No. 4 - 2019 now known as Ordinance No. 2019-04 was passed on Final Reading.

D. Bill No. 5 – 2019 – Amending 2019 Water Capital Fund – 2018 Year End Adjustments

The Clerk read Bill No. 5 – 2019 – Amending the 2019 Water Capital Fund – 2018 Year End Adjustments on Final Reading.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt and Mr. Waldron, 7. Bill No. 5 - 2019 now known as Ordinance No. 2019-05 was passed on Final Reading.

E. Bill No. 6 – 2019 – Amending 2019 Sewer Capital Fund – 2018 Year End Adjustments

The Clerk read Bill No. 6 – 2019 – Amending the 2019 Sewer Capital Fund – 2018 Year End Adjustments on Final Reading.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt and Mr. Waldron, 7. Bill No. 6 - 2019 now known as Ordinance No. 2019-06 was passed on Final Reading.

F. Bill No. 7 – 2019 – Amending 2019 Community Development Block Grant/HOME Fund – 2018 Year End Adjustments

The Clerk read Bill No. 7 – 2019 – Amending the 2019 Community Development Block Grant/HOME Fund – 2018 Year End Adjustments on Final Reading.

Mr. Callahan queried how much money in the CDBG is involved in paving and overlays.

Mr. Alkhal wondered if he is asking what was budgeted for 2019, the new money for 2019 for paving.

Mr. Callahan added also with the money we did not spend last year.

Mr. Alkhal noted from what he can remember it is close to \$100,000 dollars old money and new money is \$25,000 dollars for paving.

Mr. Callahan thought there was around \$200,000 or \$300,000 dollars that was presented to us.

Mr. Alkhal would have to double check on that.

Mr. Callahan noted when and if that money is used, do we designate on the bid that this is CDBG money being used.

Mr. Alkhal replied yes. It can only be used in certain areas of the City so it is called out on the contract as to where that money will be spent on paving.

Mr. Callahan asked if the people who are bidding on it are made aware that this is CDBG money.

Mr. Alkhal stated he believes so.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt and Mr. Waldron, 7. Bill No. 7 - 2019 now known as Ordinance No. 2019-07 was passed on Final Reading.

9. NEW ORDINANCES

A. *Bill 8 - 2019 - Authorizing 2019 GO Bond - Non-Utility Capital Projects*

The Clerk read Bill No. 8 - 2019 - Authorizing 2019 GO Bond - Non-Utility Capital Projects, sponsored by Dr. Van Wirt and Mr. Reynolds 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 OF 2019 (THE "2019 BONDS") IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$6,000,000; PROVIDING THE PROCEEDS OF THE BONDS SHALL BE APPLIED TO FUND THE CITY'S CAPITAL IMPROVEMENT PROJECT; DETERMINING THAT SALE OF THE BONDS SHALL BE A PRIVATE SALE AND DETERMINING THAT THE BONDS SHALL BE NONELECTORAL DEBT OF THE CITY; FIXING THE INTEREST PAYMENT DATE, 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 AND ESTABLISHING A REQUIRED SCHEDULE OF PAYMENTS WITH RESPECT TO THE SINKING FUND, ESTABLISHING THE REDEMPTION PROVISIONS; ACCEPTING A BID FOR PURCHASE OF THE BOND AND AUTHORIZING EXECUTION OF THE BOND PURCHASE AGREEMENT; DESIGNATING A PAYING AGENT AND REGISTRAR; A PLACE AND METHOD OF

PAYMENT AND INTEREST AND MAKING CERTAIN COVENANTS WITH RESPECT TO THE TAX FREE STATUS OF THE BONDS; DESIGNATING A SINKING FUND DEPOSITORY; COVENANTING TO PAY THE PRINCIPAL OF AND INTEREST AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY; ESTABLISHING A SINKING FUND AND AUTHORIZING AND DIRECTING PAYMENT, SETTING FORTH CERTAIN RIGHTS OF THE PAYING AGENT AND BONDHOLDERS IN THE EVENT OF DEFAULT; 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, 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 AND THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA; SETTING FORTH CERTAIN COVENANTS RELATING TO THE FEDERAL TAX STATUS; AND AUTHORIZING AND DIRECTING CERTAIN OTHER ACTIONS AND DOCUMENTS AS REQUIRED.

Mr. Evans noted this went through a Finance Committee Meeting during the night of a pending snowstorm. He did go through this with the Committee, but this is the First Reading of this Ordinance and Scott Shearer of PFM Financial Advisors is here tonight to answer any questions from Council. PFM has been our long term financial advisors and can answer any questions related to this issuance. He pointed out Ken Reid here at the meeting from King Spry, who is our Bond Counsel, as well as our Budget and Finance Director Mark Sivak to answer any questions.

Mr. Reynolds asked if Mr. Shearer could make some brief comments and what has changed since we previously had the conversations. He believes we are looking to use \$5,000,000 dollars but the number in the Ordinance is \$6,000,000 dollars.

Mr. Shearer explained the Ordinance that your Bond Counsel drafted is similar to other Ordinances that Council has passed in a parameters format. That means there is a maximum number in there. There is a maximum amount of \$6,000,000 dollars and a maximum interest rate of 5%. We expect to borrow the amount of money that was in the handout that Mr. Sivak presented at the Finance Committee Meeting a few weeks ago that he was unable to attend, which will net about \$5,000,000 dollars in proceeds. We expect the interest rates to be substantially less than the 5%. If we did it today the interest would be closer in the area of 3%. That is all done for State purposes. This is all needed to be filed with the State and the Department of Community and Economic Development, which your Bond Counsel will handle. If you move this favorably this evening to the Second Reading in two weeks, we would then ultimately look to price the bonds with the underwriter. Mr. Shearer pointed out they did go through an RFP process and Boenning Scattergood submitted the lowest proposal that we just received in the past day or two. We would then price the transaction about a week after the Second Reading and then your Bond Counsel would file another document with the State to basically say that the parameters Ordinance was for \$6,000,000 dollars and we only issued say \$5,000,000 dollars, so eliminate that \$1,000,000 dollar difference from the books of the City of Bethlehem. It is just a way for us to get everything approved now and we can then price shortly after Council would take action on it.

Mr. Reynolds understands the incremental change there but it just seems like \$1,000,000 dollars is a lot. He queried why is it \$6,000,000 dollars and not \$5,500,000 dollars.

Mr. Shearer noted it is for flexibility purposes. When we ultimately go to price the bonds we do not know if the investors will want premium bonds or discount bonds; that is where your Bond Counsel works closely with us to make sure that we are meeting all the State requirements under the Debt Act. We need to make sure we have level or descending principal. Having that inflated amount in the parameters Ordinance allows us to do that. But the bogey we have to hit is the \$5,000,000 dollars of net proceeds and we have to have reasonable expectations that we will spend the money and through the information that is in the budget book, and what the Bond Counsel has reviewed, and what will be satisfactory to the IRS. We just cannot issue more than what we can legally justify.

Mr. Reynolds asked if the difference is between the \$5,000,000 dollars that the City ultimately gets and whatever we borrow and the fees the City ends up paying.

Mr. Shearer recalled in that handout from a week or two ago we were actually showing a bond issue amount of about \$5,200,000 dollars; \$200,000 dollars for the various costs and expenses and then about \$5,000,000 dollars would actually be a net deposit to the City's construction fund.

Mr. Reynolds expressed he is still curious about why it is \$5,200,00 and we need to do \$6,000,000 dollars. Generally, we borrow it and then it comes back and we pay for the projects and then the debt service kind of gets buried in all of our different documents going forward. We have a good interest rate, but whatever it turns out to be, he was just looking for some clarity on why we need to put the \$6,000,000 dollars in there rather than \$5,400,000 or \$5,300,000 dollars.

Mr. Shearer stated they still recommend the \$6,000,000 dollars and what he could do is provide more clarity when we come to the next meeting if it is moved to the next meeting for second reading. We could say we are maybe a week away from pricing and we really do expect it to be closer to \$5,200,000 dollars, but still, having that flexibility is good.

Dr. Van Wirt wants to make sure she understands the concept of what we are doing here. When we read this, the paragraph where it says "Whereas, Council did previously determine to:" When we go through all of these things that we are going to spend money on, this was that same capital expenditure that we went through that is really to be from the one time transfer tax from the sale of the Sands.

Mr. Evans stated that was separate. He pointed out on page 278 of the budget book there were a few different sources of capital. One was the bond, \$5,000,000 dollars was from the bond, and we put in that bucket all of the projects we knew we would have to get done, the must haves and that is what this is about, obtaining this bond and have the financing to complete those projects. Mr. Evans explained the Casino transfer tax money was a separate bucket, and those are not being addressed by this tonight.

Dr. Van Wirt mentioned in number six, it says "to acquire land or interest in land if necessary and make and construct capital improvements upon such land or upon land and

buildings previously acquired by the City.” She asked if that refers to a specific project at all or is that more of a catch-all in case we decide to do it.

Kevin Reid explained there are two components of the Ordinance and the Whereas clause she is referencing to is kind of an overarching Whereas clause which basically tells the kind of the powers that the City has and has exercised in the past. The more targeted paragraph is the paragraph below that specifies some of the projects that the City is looking at in this instance. You will notice things like traffic light signaling, safety improvements, HVAC work. Those are the type of projects that were presented and encompass what is being looked at in this point of time.

Dr. Van Wirt did not see number six in any of these things; she just wanted to make sure she was not missing something.

President Waldron alluded to what Mr. Reynolds said. There is that big gap between the potential of \$5,200,000 to \$6,000,000 dollars and he understands they would like a comfortable amount of wiggle room. He thinks we have talked in previous conversations about bonds and asked if there is any cap on what that extra will be between the \$5,000,000 dollars that the City gets and what the other expenses of that \$200,000 dollars potentially would be.

Mr. Shearer noted the typical rule of thumb for this overage or cushion is about 20% so with a \$5,000,000 dollar bond issue about 20% of that is about \$1,000,000 dollars which gets us to the \$6,000,000 dollar threshold. There is not a legal cap on those costs of issuance but he will guess there is a reasonableness cap that we put on it as the City’s fiduciary, when we are looking at the cost of issuance. We will look at all of the various costs and we will make sure they are in line with where they should be for a transaction of this size. Again, there is no legal limit to it but it is more of a fiduciary limit that we have that we will look at closely. He will say they will come in very closely in what was in the numbers from the presentation a few weeks ago.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt and Mr. Waldron, 7. Bill No. 8 - 2019 was passed on First Reading.

10. RESOLUTIONS

A. *Authorizing Exchange of Real Estate – Transfer from Little Town LLC to City of Bethlehem; Transfer from City of Bethlehem to Little Town LLC*

Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2019-059 that authorized that the transfer of real estate from Little Town LLC to the City and the transfer of real estate from the City to Little Town LLC constitutes an exchange for municipal purposes and Administration officials are authorized to execute such documents and tender such deeds and related documentation needed to effectuate such transfer.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, and Mr. Waldron, 7. The Resolution passed.

B. Authorizing Keystone Grant Application – Bethlehem Area Public Library

Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2019-060 that authorized to execute all application forms necessary to apply for the Keystone Grant that will be passed through the City of Bethlehem to the Bethlehem Area Public Library.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, and Mr. Waldron, 7. The Resolution passed.

C. Authorizing Contract – Wampole-Miller, Inc.

Ms. Negrón and Mr. Reynolds sponsored Resolution No. 2019-061 that authorized an agreement with Wampole-Miller, Inc. for the Traffic Signal Upgrade at Main and Broad Street.

Mr. Callahan queried what work is being done at the intersection and is it just the electronic signals.

Mr. Alkhal replied no, it is conduit work there in support of complete upgrade and replacement of the traffic signal, as well as upgrading the ADA ramps on all four corners, pulling back the island on Broad Street a short distance in order to create a dedicated westbound left lane on Broad Street onto Main Street. We have had issues of cars backing up there when people want to turn left at that intersection and people cannot get around them. It is a complete upgrade of the traffic signal and some improvements to the intersection itself to improve traffic flow as well as upgrading the handicapped ramps.

Mr. Callahan noted it is all four corners for the handicapped ramps.

Mr. Alkhal stated yes.

Mr. Callahan asked if we are using any of that CDBG money for that project.

Mr. Alkhal replied no, that one is completely bond.

Dr. Van Wirt was wondering if Mr. Alkhal coordinated with the Parking Authority who already started doing some studies on this corner.

Mr. Alkhal stated yes, and of course, we had to coordinate with them because we are eliminating a few on street parking spots.

Dr. Van Wirt saw about a year ago they had a contract for \$13,000 dollars because they were worried that traffic was not able to pull into the North Street Garage well so they hired a firm to tell them how to make the traffic on that corner better for the parking deck.

Mr. Alkhal advised they are definitely aware of this project and we had discussions with them, as he said, including the fact we are taking two parking spots away at that intersection from on street parking.

Dr. Van Wirt is specifically saying that they already paid \$13,000 dollars to have a study about how this can be done; she just wanted to make sure that we are all using the same data we already paid for.

Mr. Alkhal explained there is not much conflict between what they are doing and what we are doing in terms of upgrading the signals. The work we are doing in support of upgrading the signal does not cross over to their efforts.

Dr. Van Wirt stated it seems a little redundant to her.

Mr. Alkhal informed it is not.

Voting AYE: Mr. Callahan, Mr. Colón, Mr. Martell, Ms. Negrón, Mr. Reynolds, Dr. Van Wirt, and Mr. Waldron, 7. The Resolution passed.

11. NEW BUSINESS

Human Resources and Environment Committee Meeting

Chairman Reynolds announced the Human Resources and Environment Committee Meeting will meet on Monday, April 1, 2019 at 6:00 pm in Town Hall. The subject will be Amending Article 145 - Proposed Ordinance regarding wage equality.

Parking Authority

Mr. Callahan explained, as the Parking Authority liaison, he wanted to let Mr. Gallagher know that the last Parking Authority meeting was in December, and he thinks the January meeting was postponed due to a lack of a quorum. It was due to a scheduling conflict so they could not officially have a meeting. He thinks the February meeting was postponed due to no official business. He will say that the Parking Authority will be coming to Council probably in April and with updated information on the Polk Street Garage. Mr. Callahan stated they were ready to come to us a month or so ago and one of the entities came to them and asked for an additional 100 spots so that changed their numbers, so they will probably come to us in April. The next Parking Authority meeting is March 27th.

President Waldron informed that he spoke with Kevin Livingston, Director of the Parking Authority, yesterday morning and that April timeline is pushed back at least until May or June as they get more information before they are ready to come to Council.

9-1-1 Center

Mr. Colón mentioned we keep having ongoing meetings about the 9-1-1 Center and discussing it and getting updates. On his way here tonight he ran into a friend of his who is a County Supervisor and he and another County employee currently are downstairs. We meet so often about this, but every day everyone is working at the County level and State level to keep that merger going smoothly. It is refreshing to know that they have a few people here right now observing and picking up on how the City conducts its business.

Mayor's State of the City Address

Mr. Reynolds wanted to pass along the comment made tonight by Mr. Gallagher about the State of the City to the Administration. Mr. Reynolds has been to the Mayor's State of the City breakfast once or twice, but he generally cannot attend it because it is at the same time he is at school. It often includes a power point presentation. He thinks it would be a nice thing to go through during Mayor's Report at an upcoming City Council Meeting. It is not a difficult thing to recreate; it is a speech that he delivers which has good news about the City. When Council receives the email and he reads through the speech there are always two or three things in there that he did not know were going on and many times there are things in there that does not ever get talked about at a Council Meeting because there is no legislative action. Mr. Reynolds added this would be nice because there are new announcements in there and new partnerships talked about and a lot of news we may not hear. We also are recording our Council Meetings so if someone could not catch the original speech they could hear it during the live streaming of a Council meeting. He will defer to the Administration on their choice there.

President Waldron noted that would be a good idea and if the Mayor would like to do this, the floor would be his to do his presentation.

12. ADJOURNMENT

The meeting was adjourned at 8:13 p.m.

ATTEST:

City Clerk