

AUGUST 15, 2011 COUNCIL MEETING MINUTES

The August 15, 2011 Council Meeting was called to order at 7:40 P.M. in Council Chambers at the Municipal Building. Deputy Mayor Sara Kuhn presiding.

APPROVAL OF AGENDA ITEMS

Mrs. Kuhn – It being 7:40 P.M. I have called the meeting to order. The Agenda will stand as presented and we are going to have an Executive Session following the meeting.

PLEDGE OF ALLEGIANCE

All stood for the Pledge of Allegiance.

ROLL CALL

Present: Dr. Kincaid
Mrs. Kuhn
Mr. Palumbo
Mr. Underwood

Mrs. Kuhn – Mayor DeLuca called me around 6:30 P.M. and he is tied up at a meeting so he wasn't able to come and he asked me to step in for him.

Also present were Manager Rayan, Finance Director Schrecengost, Library Director Ward, Controller Futules, Solicitor Brimmeier and Secretary Sorce.

PRESENTATION – Mr. Ernie Williams – eiNetwork

Countywide Library Network Service – Overview for William E. Anderson Library of Penn Hills, eiNetwork, August 2011.

BACKGROUND

eiNetwork is a non-profit organization funded principally by the Regional Asset District to provide certain technology services to public libraries in Allegheny County.

eiNetwork currently provides a Wide Area Network (WAN) to all public library locations in Allegheny County.

The Current contract between eiNetwork and existing service provider will expire.

The need for network capacity has grown significantly and continued growth is expected. This growth impacts all public libraries in Allegheny County.

THE OPPORTUNITY

eiNetwork is moving forward with a new high-speed WAN service for the libraries.

New Provider is Sunesys

Term of the contract between Sunesys and eiNetwork is 10 years

Minimum 1 Gigabit service to all affected library locations

The New network service will utilize 8-10 libraries as "HUB Sites"

Capacity for the HUB Sites will be capable of 10 Gbps, or many times greater than today's service.

Service to another 8-10 libraries would be provided from each of the hubs.

William E. Anderson Library of Penn Hills has been identified as a potential hub site.

BENEFITS FOR ALLEGHENY COUNTY LIBRARIES

A very high speed library network that can:

Better support today's growing need for network services including Internet
Enable future new library services that cannot be offered today

Additional benefits for a hub site library include:

Greater network capacity

More reliable service through redundancy

Priority support from eiNetwork and Sunesys

ARE THERE ADDITIONAL RESPONSIBILITIES FOR HUB LIBRARIES?

Within the Agreement between library and eiNetwork

Requires library/building owner to allow the Sunesys fiber and network device to remain in the building throughout the 10 year term.

Providing secure location for network equipment with adequate power and cooling.

Providing method for technical staff to access the network equipment when library is closed to ensure service to the other downstream libraries.

WHAT'S REQUIRED FOR LIBRARY PARTICIPATION IN THE NEW NETWORK?

Signed right of Access agreement with Sunesys

Allows the provider to pull the fiber into the facility and connect to a network device.

Signed Agreement with eiNetwork

Describes responsibilities regarding library facility relocations during the 10 year term.

Mr. Williams – are there any questions?

Gary Underwood – Definitely, Are you going to pay for the people to stay at that Library when you have access to the 24/7 that you were just talking about?

Mr. Williams – No, we would not.

Gary Underwood – so o.k. that is a negative.

Mr. Williams – correct.

Gary Underwood – o.k. you also stated that the ten year library service will be provided for the ten year service. O.K. will that decrease in cost during that time should that happen and we have to be aware of the decrease in service financially for those ten years.

Mr. Williams – the eiNetwork the agreement with the vendor for us is a fixed price through the ten year agreements there is no change at least as it related to the eiNetwork.

Gary Underwood – so we would be locked into it and if we change our mind on that can we do that in those ten years?

Mr. Williams – as far as it relates to a HUB location we are looking for commitment to stay in ten years.

Gary Underwood – we need a commitment from you people.

Mr. Williams – For?

Gary Underwood – decreasing that service if we decide to go somewhere else during that ten year service and you say you cannot do that currently right now because of what you are committed to so explain please.

Mr. Williams – The eiNetwork provides this service as part of our charge, I am not quite sure where – if you opted out of the network I guess you opted out of the network I am not in a position to speak to the relationship with the Library and the eiNetwork if the Library chooses to leave the eiNetwork.

Gary Underwood – so we would be paying a penalty if what I think you just said we would be paying a penalty to opt out?

Mr. Williams – as far as, I can't really speak to that that would have to go through the organization's board.

Gary Underwood – it also says what I believe I wrote down a ten year stay where the Library is, we can't guarantee that we can never guarantee anything beyond today. Now you are putting something against us that we can't guarantee.

Mr. Williams – I think what we are asking Libraries to do is to make it a business decision on the risk versus reward as far as doing that.

Gary Underwood – you can't do that. We have options, we have things coming up yearly or monthly and you are trying to put bands on our wrists and hold us to the fire. I don't believe we can do that.

Mr. Williams – well I just pointed out that the eiNetwork is paying for everything and I understand if that doesn't work out from a ten year perspective from a HUB Library.

Gary Underwood – can you lower that to two years maybe.

Mr. Williams – no we cannot.

Gary Underwood – thank you.

Mrs. Kuhn – I did have some questions that I did want to go over. I see that it has on here that there is going to be ten HUB's and you made a comment that you were looking into our library as a HUB but do we do know at this point in time if it would be or if wouldn't be?

Mr. Williams – yes we are asking to be a HUB.

Mrs. Kuhn – So it would be a HUB?

Mr. Williams - Yes, now we have alternatives.

Mrs. Kuhn – because I see that it is 10 Gbps per second if it is a HUB and if it is not a HUB it is only a 1 Gigabit. So it would be more beneficial if you were a HUB, is that correct?

Mr. Williams – it certainly would provide greater capacity over the ten years, yes at 10 Gbps. I am not going to tell you though that 1 Gigabit per second isn't high speed that also is high speed network and is significantly greater than what is currently served.

Mrs. Kuhn – and the agreement for 120 months which is ten years is that the normal agreement with everyone because a ten year term is a very long time?

Mr. Williams – yes it is. Given the amount of construction that's involved with doing this and the cost associated with this construction these are commonly longer term agreements in order to amortize those costs to make it affordable.

Mrs. Kuhn – Now on the presentation that was given to us on #3 and it is 3B which Councilman Underwood alluded to if the Library relocates during the term of the agreement the Library will be responsible for all billed out costs to reconnect to the Wide Area Network so that would mean once you put everything in the Library and its location now if in ten years something would happen, I doubt that it would because it is a brand new library but if something would happen and we would have to relocate for whatever reason then it also states that that is to remain in that location. Is that correct?

Mr. Williams – for a HUB location we are looking for a commitment to be in that building for ten years.

Mrs. Kuhn – Even if the HUB library relocates or renovates during this period if HUB library relocates during the term of the agreement section 3B will apply to reconnect to the Wide Area Network. Like I said I doubt very much if we were an older library it would be more of a concern but still it does hold us to the ground if something would happen. The other thing is on 4B, HUB Library will provide EIN and Vendor with keys, security codes, and some reasonable method to access the building, what is it that you would be looking for I mean Moe does that mean that we would actually be giving this outside company the keys and the security codes and is that a normal way of doing business like that?

Moe Rayan – Well actually that is not normal type business that we are use to and I did raise the same question Mrs. Kuhn via e-mail with Tyrone and Mr. Williams as well and the discussion was if everything goes well we are going to have to figure out how are we going to provide access to the vendor to come into our property.

Mrs. Kuhn – right, because of the fact I am not real comfortable with giving outside vendors no matter who the vendor with security codes and keys and then if something happens and we have to track down well who had the keys and who had the security code.

Moe Rayan – correct and that probably answers the same question Mr. Underwood was talking about who is going to be paying for the staff and so on so there are some issues that need to be ironed out. Mr. Williams purpose tonight is to give us a presentation and of course take the questions and provide the answers to the best of his ability but there are a lot of questions that remain to be answered at this point.

Mr. Underwood – also excuse me Deputy Mayor I have to jump in before I forget. Are we going to be responsible if one of their people come on the premises and there is an accident and we are sued for whatever they think they need from us. Who is going to take care of that?

Mrs. Kuhn – well you should have liability insurance on your own employees, that is like any sub-contractor that would come in before we would do anything we would have to have a certification that they are covered. Well this is just a presentation we are not making any action on this tonight right?

Moe Rayan – No there are no decisions on this tonight. Of course Mayor and Council have the option to discuss this matter further and we can take the questions back to eiNetwork and have them provide us the answers in writing so this way everyone is on the same page.

Mrs. Kuhn – yes, I think that would be good. You presented it and the information was a lot of information for Mayor and Council to look over so I would ask each council person if they have any questions to give it to the Manager in writing and then Moe you can go back and forth and see what we can resolve on. So thank you very much for your presentation tonight.

Mr. Williams – thank you very much I appreciate it.

Mrs. Kuhn – Next we have a **PUBLIC NOTICE** – Public Hearing Regarding Cable Franchise Renewal for the Municipality of Penn Hills.

Mrs. Kuhn – Notice is hereby given that the Municipality of Penn Hills will hold a Public Hearing regarding cable franchise renewal. The Public Hearing will take place on 8-15-2011 at 7:30 p.m. at the Municipal Building located at 12245 Frankstown Road, Penn Hills, Pa 15235-3494. Citizens are invited to testify. The purpose of the Public Hearing is to review the past performance of the cable operator, Comcast, and to identify the future cable-related community needs of the Municipality. Questions may be directed to Mohammed F. Rayan, Manager, at (412) 798-2100.

Don Sanker – 780 Long Road – Is there any reason we are staying with Comcast, have we requested Verizon or others to provide a bid on this? I have Comcast in my office and I have Verizon at my home and there are times when I am dissatisfied with both and there are times when I am happy with both. Are we limited to Comcast? I am just asking a curiosity question.

Moe Rayan – We have a running Contract with Verizon at this point.

Don Sanker – with Verizon or Comcast?

Moe Rayan – Verizon and the Contract with Comcast is coming up to expire so that is why we are looking to renew the Contract with Comcast. So they both have Contracts with the Municipality. It is the Franchise Agreement.

Don Sanker – Is there any reason why we could not have just one vendor supplying the services to Penn Hills or is it required that we have two? Is it less expensive to have two, is it less expensive to have one, what is the reasoning for having two?

Moe Rayan – one that comes to mind that the public, myself, you and everybody else in town have the option to go to two vendors instead of committed to one.

Don Sanker – the only reason I have two is at the time Verizon was not available. Are they both available throughout the Community, let me ask you that question?

Mrs. Kuhn – yes they are both available throughout the Community.

Moe Rayan – yes they are.

Don Sanker – Do both of them provide services to the entire community? That is a whole different question now. Do both of them have the ability to provide services throughout the Community? For example Comcast may not have service at the far end of the Community were as Verizon does, when I was at the office on Frankstown Road Verizon at the intersection of Frankstown and Beulah did not have service so that is why I am asking the question. Does each of them have the ability to provide services to all residences of the Community?

Moe Rayan – it is a good question and I will get the answer to that question, my understanding is that they both are able to go anywhere in town within the 20 square miles, but I will definitely get the answer for that.

Don Sanker – I can tell you that was not true three or four years ago.

Mrs. Kuhn – right, but I was going to say Don I know what you are saying because a few years ago you had to have Comcast or you had no one.

Don Sanker – exactly.

Mrs. Kuhn –could you check that Moe? That is a good question to make sure.

Moe Rayan – I will check on that.

Don Sanker – when are you going to vote on this?

Moe Rayan – well actually it would have to be an Ordinance, it is just a preliminary agreement at this point, we have our own comments here as far as the Municipality for some changes and so on so it is at the preliminary stages of the agreement right now. By law of course, we have to do the Public Hearing to get comments as you just presented and take it back to them and get the answers and so on.

Don Sanker – when is the agreement up with Comcast?

Moe Rayan – it is coming up I believe the beginning of the year.

Don Sanker – the beginning of January – so there is lots of time.

Moe Rayan – there is time yes.

Don Sanker – o.k. thanks.

Moe Rayan – it is a renewal, it is not a new agreement, it is a renewal.

Don Sanker – how long is the renewal for?

Moe Rayan – 10 years.

Don Sanker – did I just hear 10 years a couple of minutes ago?

Ray Launcher – 424 MacBeth Drive – in line with his comment something just out of curiosity, what would happen if per chance now there are two providers Verizon and Comcast, what would happen to those of us that have one of the providers and all of a sudden that provider did not have the franchise any longer. Just a question.

Moe Rayan – if Comcast is out you will have to go with Verizon.

Ray – that is what I thought. Whether you want to or not.

Moe Rayan – if you want cable yes.

Mrs. Kuhn - that is really what the public meeting is for because to be fair I do want to make the public aware of the fact that Mayor and Council did get a very lengthy agreement of comparison that we have been looking at and that is why we have a Public Hearing so that we do get the comments from the residents so that does help determine our decision. So that is why we are having a public meeting. We are not doing anything on this tonight we just want to have the comments.

Moe Rayan – Mrs. Kuhn excuse me just a correction on the length of the agreement it was 10 years now it is eight.

Don Sanker – you said the renewal would be for 8 years?

Moe Rayan – correct.

Ed Zulo – 113 Elizabeth Drive – I am just curious do these cable companies pay the Municipality money to get these agreements? Does this money go into the tax?

Moe Rayan – yes there are franchise fees.

Ed Zulo – are you going to share how much money that is, or is that in the budget for anybody to see.

Moe Rayan – yes that is in the budget.

Ed Zulo – thank you.

Jim Carnahan – 201 Jefferson Road – Is this just negotiating a contract just with Comcast.

Mrs. Kuhn – well the one we are talking about tonight is Comcast.

Jim Carnahan – Do you have another contract with Verizon?

Moe Rayan – yes we do have one.

Jim Carnahan – well what is the length of theirs?

Moe Rayan – I believe it probably has about 2-3 more years to go.

Jim Carnahan – so you won't be doing anything with the franchise with that right now?

Moe Rayan – not now no and just for you to know it is an inter-municipal agreement. There are three municipalities involved into this through the COG, Penn Hills, Monroeville and Forest Hills collectively negotiating the same agreement with Comcast.

Jim Carnahan – Verizon has made a pretty good surge in the last few years because I know in Jefferson Manor there are people who have Comcast and Verizon with that FIOS. That franchise tax that is on my bill every month does that entire amount come to the Municipality?

Moe Rayan – I would have to look at the agreement just to figure out how much exactly comes out, I think it is five percent of the total cost comes to the Municipality.

Mrs. Kuhn – Moe I don't know if it was misunderstood or if I misunderstood it but it is my understanding that even if we go with Comcast we still are with Verizon so in essence even if we go with Comcast on this one we still have one with Verizon so the residents can still go with Verizon or Comcast? I just wanted to make that clear that if we go with Comcast that doesn't mean that they have to leave Verizon because we still have a contract with Verizon, is that correct?

Moe Rayan – that is correct. We have a running contract with Verizon right now.

Mrs. Kuhn – so when Verizon's would come up we have the right to renew Verizon's even though we have Comcast so in essence the Municipality would have both, is that right?

Moe Rayan – that is correct, right now today we have both contracts that are current but one of them will expire and that is Comcast.

Don Sanker – I know there are locations that have Direct TV. For example, I know that Morgan's has Direct TV, you can tell I live there. My question is Direct TV just comes into the Municipality without an agreement, does Direct TV pay anything at all to the Municipality, this is just a curiosity question on my part you are talking about collecting franchise fees they pay to the Municipality to have that ability to be in Penn Hills does Direct TV pay anything to the Municipality of Penn Hills to be in Penn Hills? Do they provide a franchise fee to Penn Hills to be here?

Bonnie Brimmeier – correct me if I am wrong but I believe Direct TV is satellite and the difference is the franchise fee and the franchise agreements are to permit the cable companies to be within the right of ways of the Municipality that is the difference. The satellite does not come through our right of ways.

Don Sanker – they do not have the wire in Penn Hills?

Bonnie Brimmeier – that is correct.

Don Sanker – so they are exempt.

Bonnie Brimmeier– they do not pay a franchise fee because they are not using our right of ways.

Mrs. Kuhn – Comcast and Verizon they have to put their lines in our right of ways so that is why we do that.

Don Sanker – just trying to get more money for the Municipality, is there any way we can?

Mrs. Kuhn – well I don't think Direct TV is going to give us any money and I don't think we could go to outer space for that.

Mrs. Kuhn – I just wanted to make sure the public understood that if they have Verizon and we do go with Comcast they do not have to switch because the Municipality has two, Verizon and Comcast.

Moe Rayan – Nothing changes in terms of the public in choosing which vendor they want to go with. Nothing changes at all, just a renewal of the agreement itself at this point.

Don Sanker – are they willing to take more money to make an agreement?

Moe Rayan – no the franchise fees didn't change.

Don Sanker – how long did they have it? We have had some inflation over the last ten years.

Moe Rayan – well it comes out of your bill.

Don Sanker – so Comcast is not paying the Municipality the residents through the franchise tax are giving the money to Comcast to pay to the Municipality.

Bonnie Brimmeier – It is a combination and then there are other aspects of the franchise fee where they will provide services like they will usually and I am not familiar with what exactly Penn Hills is getting but usually there will be an educational channel provided maybe through the school district or they could have a government channel where you could view these meetings if you wanted to in the comfort of your living room, those kinds of things. Usually that channel or that benefit is given to the school district because there is more need for it and they will probably publicize football games, all those kinds of things that are all part of the things that usually come through the franchise agreements so it is not just money. It is things that the cable company actually provides a service as a part of the agreement.

Don Sanker – will there be another Public Hearing?

Moe Rayan – no just this one here.

Mrs. Kuhn – then when it is on the Agenda you are free to speak at that time too.

Don Sanker – thanks.

Mrs. Kuhn – I will call this public meeting to an end.

APPROVAL OF MINUTES

Mr. Underwood made a motion to approve Minutes of August 1, 2011.

Mr. Palumbo seconded the motion.

There being no further discussion the motion was approved by a 4-0 vote.

EXPENDITURES

Dr. Kincaid made a motion to approve the Master Expenditures Summary dated August 15, 2011 – Journal Vouchers – 1 - \$558,894.38, C.D. Requisitions – 12, \$113,548.22, EECBG Requisitions – 0 – \$0.00, Checks Numbering 18550 – 18662 - \$1,110,780.69 making a grand total of \$1,783,223.29.

Mr. Underwood seconded the motion.

Mrs. Kuhn – I have one question Moe, on page 1 check 18570 Allied Waste are we receiving funding from our recyclables?

Ed – Howard files the Grant with the State.

Mrs. Kuhn – that is how we get the recyclables? I do see that this was for recyclable and waste so I was just wondering how we were doing with our recyclables because I know at one time we were a little bit behind on that. Also on page 5 check #18584 to Gateway Engineers the split time fees for the study \$1,111.45 and \$2,646.00, Moe are those amounts in the negotiating that you had done for that feasibility study?

Moe Rayan – yes, that was in the approved quantity, yes.

Mrs. Kuhn – again Moe I commend you on the wonderful negotiations you did with that saving so much money for the taxpayers. On page 14, check #18648 for our new ambulance I just want to say I was glad to see the new ambulance on the road.

Moe Rayan – yes we have two brand new ones, one came in a couple months ago and one arrived last Thursday and we are in the process of getting it outfitted with all the proper equipment and radio communications and so on.

Mrs. Kuhn – I did want to show that ambulance was \$142,612.00 which is a great deal of money and it is a wonderful service that we provide to our residents to have in house paramedics, so I am happy and pleased to see those on the road.

Mr. Underwood – Deputy Mayor I must make this comment unfortunately one of my neighbors on my street just passed away and the paramedics were there and unfortunately they had to call Allegheny County to take the body away but they did a great job.

Mrs. Kuhn – well thank you for that and I know that they do a wonderful job for the residents of Penn Hills. We get many compliments on the service that they provide.

There being no further discussion the motion was approved by a 4-0 vote.

RESOLUTION

Mr. Palumbo made a motion to approve **Resolution No. 2011-050** a Resolution of the Municipality of Penn Hills relative to the procurement of Professional Services for the Municipal Pension System(s) sponsored by The Municipality based on the requirements of Act 44 of 2009.

Dr. Kincaid seconded the motion.

Mrs. Kuhn – I have one comment, I did look over the Resolution and I did call the Manager today and he was very helpful in his information that he gave me. I know that there a lot of Pensions that have problems pertaining to money that is invested in the stock markets and we all know from day to day how frightening that can be so I just was asking what our funding was and I know that the Manager and correct me if I am wrong Moe I believe that you told me the third quarter of 2010 showed that we were 85% funded. Is that correct?

Moe Rayan – actually I got some accurate numbers for you Mrs. Kuhn for the non police pension it was at 88.7% at that time.

Mrs. Kuhn – and I know that you also informed me that we are monitoring it and reevaluating the investments because of the fact that it can be a possibility of it going down and that we also make sure that those in charge of the pensions are aware of where we stand. Is that correct?

Moe Rayan – that is correct. We just had a meeting in June with the Pension Committee, myself and the members from the investment firm and the custodian of the money itself, they came in and talked to all of us about the Pension and where it stands right now and where it is going and they made some changes to the evaluation of the fund itself and it reduced the assumption from 8% projection down to about 7.5% the committee agreed and of course any changes that happens to the Pension itself in terms of the money it would have to come to Mayor and Council for approval.

Mrs. Kuhn – alright thank you very much but I just wanted to make sure that everyone was aware that we are being watchful of this.

There being no further discussion the motion was approved by a 4-0 vote.

ADJOURNMENT

Mrs. Kuhn entertained motion to adjourn.

Dr. Kincaid made a motion to adjourn.

Mr. Underwood seconded the motion.

Meeting adjourned at 8:24 P.M.

MAUREEN M. SORCE
MANAGER'S SECRETARY

DATE

