

OLD FORGE BOROUGH COUNCIL
OLD FORGE, PENNSYLVANIA

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IN RE: REGULAR MEETING OF COUNCIL

JULY 18, 2023

7:00 P.M.

OLD FORGE MUNICIPAL BUILDING
314 SOUTH MAIN STREET
OLD FORGE, PENNSYLVANIA

COUNCIL MEMBERS:

- RUSSELL RINALDI, PRESIDENT
- RICK NOTARI
- LOUIS FEBBO
- JAMES HOOVER
- MICHAEL LETTIERI
- ANDREW BUTLER
- WILLIAM RINALDI, ESQUIRE, SOLICITOR
- MARYLYNN BARTOLETTI, BOROUGH MANAGER

Mark Wozniak
Official Court Reporter

1 MR. RUSSELL RINALDI: Good evening,
2 ladies and gentlemen. I'd like to call the
3 meeting to order with the Pledge of
4 Allegiance.

5 (The Pledge of Allegiance was
6 recited.)

7 MR. RUSSELL RINALDI: Roll call,
8 please, Marylynn.

9 MS. BARTOLETTI: Councilwoman
10 Avvisato is absent. Councilman Butler?

11 MR. BUTLER: Here.

12 MS. BARTOLETTI: Councilman Febbo?

13 MR. FEBBO: Present.

14 MS. BARTOLETTI: Councilman Hoover?

15 MR. HOOVER: Here.

16 MS. BARTOLETTI: Councilman
17 Lettieri?

18 MR. LETTIERI: Present.

19 MS. BARTOLETTI: Councilman Notari?

20 MR. NOTARI: Present.

21 MS. BARTOLETTI: Councilman Rinaldi?

22 MR. RUSSELL RINALDI: Here. Once
23 again, ladies and gentlemen, welcome to the
24 regular meeting of the Old Forge Borough.
25 Tonight is Tuesday, July 18, 2023. The

1 purpose of our meeting is we'll go through a
2 few housekeeping motions, we'll hear from
3 our department heads, we'll hear from our
4 council members, our borough manager,
5 solicitor, we'll go down the table.

6 There's a public sign-in sheet. If
7 anyone from the public would like to address
8 us we'll give you a few moments at the end
9 of the meeting before new business.

10 With that said, we're going to go to
11 our first housekeeping motion. A motion to
12 approve the minutes of the prior meeting.

13 MR. NOTARI: I'll make that motion.

14 MR. RUSSELL RINALDI: By Councilman
15 Notari.

16 MR. BUTLER: I'll second.

17 MR. RUSSELL RINALDI: Seconded by
18 Councilman Butler. On the question? Public
19 input? Roll call, please.

20 MS. BARTOLETTI: Councilman Febbo?

21 MR. FEBBO: Yes.

22 MS. BARTOLETTI: Councilman Butler?

23 MR. BUTLER: Yes.

24 MS. BARTOLETTI: Councilman Hoover?

25 MR. HOOVER: Yes.

1 MS. BARTOLETTI: Councilman
2 Lettieri?

3 MR. LETTIERI: Yes.

4 MS. BARTOLETTI: Councilman Notari?

5 MR. NOTARI: Yes.

6 MS. BARTOLETTI: Councilman Rinaldi?

7 MR. RUSSELL RINALDI: Yes. Item

8 number two is motion to approve the
9 treasurer's report. Please note that this
10 does not include the sewer account.

11 MR. NOTARI: I'll make that motion.

12 MR. RUSSELL RINALDI: By Councilman
13 Notari.

14 MR. LETTIERI: I'll second.

15 MR. RUSSELL RINALDI: Seconded by
16 Councilman Lettieri. On the question?
17 Public input? Roll call, please.

18 MS. BARTOLETTI: Councilman Febbo?

19 MR. FEBBO: Yes.

20 MS. BARTOLETTI: Councilman Butler?

21 MR. BUTLER: Yes.

22 MS. BARTOLETTI: Councilman Hoover?

23 MR. HOOVER: Yes.

24 MS. BARTOLETTI: Councilman

25 Lettieri?

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MR. LETTIERI: Yes.

MS. BARTOLETTI: Councilman Notari?

MR. NOTARI: Yes.

MS. BARTOLETTI: Councilman Rinaldi?

MR. RUSSELL RINALDI: Yes. Item
number three is motion to approve invoices
for payment. Once again, please note this
does not include the sewer account.

MR. BUTLER: I'll make that motion.

MR. RUSSELL RINALDI: By Councilman
Butler.

MR. NOTARI: Second.

MR. RUSSELL RINALDI: Seconded by
Councilman Notari. On the question? Public
input? Roll call, please.

MS. BARTOLETTI: Councilman Febbo?

MR. FEBBO: Yes.

MS. BARTOLETTI: Councilman Butler?

MR. BUTLER: Yes.

MS. BARTOLETTI: Councilman Hoover?

MR. HOOVER: Yes.

MS. BARTOLETTI: Councilman
Lettieri?

MR. LETTIERI: Yes.

MS. BARTOLETTI: Councilman Notari?

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MR. NOTARI: Yes.

MS. BARTOLETTI: Councilman Rinaldi?

MR. RUSSELL RINALDI: Yes. Fourth item is motion to approve treasurer's report for the sewer department.

MR. FEBBO: I'll make that motion.

MR. RUSSELL RINALDI: By Councilman Febbo.

MR. LETTIERI: I'll second it.

MR. RUSSELL RINALDI: Seconded by Councilman Lettieri. On the question? Public input? Roll call, please.

MS. BARTOLETTI: Councilman Febbo?

MR. FEBBO: Yes.

MS. BARTOLETTI: Councilman Butler?

MR. BUTLER: Yes.

MS. BARTOLETTI: Councilman Hoover?

MR. HOOVER: Yes.

MS. BARTOLETTI: Councilman Lettieri?

MR. LETTIERI: Yes.

MS. BARTOLETTI: Councilman Notari?

MR. NOTARI: Yes.

MS. BARTOLETTI: Councilman Rinaldi?

MR. RUSSELL RINALDI: Yes. Last

1 item under housekeeping is motion to approve
2 sewer department invoices for payment.

3 MR. LETTIERI: I'll make the motion.

4 MR. RUSSELL RINALDI: Motion by
5 Councilman Lettieri.

6 MR. NOTARI: Second.

7 MR. RUSSELL RINALDI: Seconded by
8 Councilman Hoover. On the question? Public
9 input? Roll call, please.

10 MS. BARTOLETTI: Councilman Febbo?

11 MR. FEBBO: Yes.

12 MS. BARTOLETTI: Councilman Butler?

13 MR. BUTLER: Yes.

14 MS. BARTOLETTI: Councilman Hoover?

15 MR. HOOVER: Yes.

16 MS. BARTOLETTI: Councilman

17 Lettieri?

18 MR. LETTIERI: Yes.

19 MS. BARTOLETTI: Councilman Notari?

20 MR. NOTARI: Yes.

21 MS. BARTOLETTI: Councilman Rinaldi?

22 MR. RUSSELL RINALDI: Yes. First
23 department head we'll go into is our DPW
24 manager, Joseph Lenceski. Joe, do you have
25 anything for the meeting?

1 MR. LENCESKI: Nothing for the
2 meeting.

3 MR. RUSSELL: Anybody have any
4 questions for Joe?

5 MR. FEBBO: Do you want to address
6 everybody on what happened down the park
7 today?

8 MR. LENCESKI: Yesterday at Pagnotti
9 Park we had storm damage. We had the
10 insurance company come and EMA from
11 Lackawanna County. There was straight line
12 wind damage. We had about ten trees topple
13 over, the fence was folded over at the
14 baseball field, and that's about it.

15 MR. HOOVER: Bleachers?

16 MR. LENCESKI: Bleachers were
17 flipped over. They determined it was
18 straight line winds. They determined that.

19 MR. FEBBO: Thank you.

20 MR. NOTARI: Joe, I'd like to know
21 if we can go through the process of
22 designating two parking spots in the back as
23 a safety drop off zone for divorced parents
24 who are exchanging their children. I've got
25 a couple requests from people in the

1 community.

2 MS. BARTOLETTI: When we decided to
3 do the new building and the parking area the
4 first two spots that are right outside the
5 police department are the two that are
6 supposed to be -- there's a camera that's
7 facing right at them and there's a light
8 there.

9 MR. NOTARI: Right in front of the
10 doorway?

11 MS. BARTOLETTI: As soon as you turn
12 into our parking lot, it would be to the
13 right side. Close to where the Little
14 Library is.

15 MR. NOTARI: Can we designate those
16 spots with signage, maybe paint the lines
17 different, make sure nobody parks in them in
18 terms of employees or policemen?

19 MR. LENCESKI: Yes.

20 MR. NOTARI: Thank you.

21 MR. HOOVER: What's going on with
22 the cones on Winter Street?

23 MR. LENCESKI: There was subsidence
24 in the pipe. I sent Earthworks over to do
25 the work. They called PA-One Call in, they

1 marked it, and they're just waiting for the
2 PA-One Call to start working.

3 MR. RUSSELL RINALDI: Anybody else
4 have any questions for Joe? Thank you, Joe.

5 Mike Sokolowski, code
6 enforcement/zoning officer, anything for the
7 meeting?

8 MR. HART: I don't have anything
9 right now, no.

10 MR. RUSSELL RINALDI: Anybody have
11 any questions for Michael?

12 MR. BUTLER: 602 Maple, did that guy
13 ever start cleaning that place up? There
14 was stuff all over the place.

15 MR. HART: That's where Passarielo
16 bought the garage there. He cleaned that
17 area up. The guy next door, he cleaned some
18 but not a lot. I just went by. He had a
19 dumpster there. He put some stuff out but
20 not a lot.

21 MR. RUSSELL RINALDI: Councilman
22 Butler, is this the property that's across
23 the street from where the fire was a few
24 years ago, the one house? If you're driving
25 down Maple towards Oak, on the left?

1 MR. SOKOLOWSKI: On the left.

2 MR. RUSSELL RINALDI: When you
3 explained I thought it was the other
4 property across the street.

5 MR. BUTLER: Bobby Passarielo.

6 MR. RUSSELL RINALDI: That was
7 already taken care of.

8 MR. SOKOLOWSKI: It's on the other
9 side. He's got some stuff there, yeah.

10 MR. RUSSELL RINALDI: When's the
11 last time you are there, Mike, or the last
12 time you were in contact with him?

13 MR. SOKOLOWSKI: Got to be at least
14 a month.

15 MR. RUSSELL RINALDI: Just stop over
16 or give him another call.

17 MR. BUTLER: Thank you, Mike.

18 MR. RUSSELL RINALDI: Any other
19 questions for Mike? Thanks, Mike.

20 Dave Lopatka, engineer, anything for
21 the meeting?

22 MR. LOPATKA: I believe the only
23 thing on the agenda was Casper Street. I
24 think that's later on for your approval.

25 MR. RUSSELL RINALDI: That's listed

1 under new business for tonight. Anybody
2 have any questions for Dave?

3 MR. NOTARI: How's the senior center
4 project?

5 MR. LOPATKA: Still waiting for the
6 county to get back to me with regard to the
7 review of the plans. I'll call Joe Rovinski
8 tomorrow and find out where it's at.

9 MR. HOOVER: Our paving program
10 started today.

11 MR. LOPATKA: Yeah.

12 MR. HOOVER: They're doing all the
13 inlets and some berm work down on Connell
14 Street.

15 MR. LOPATKA: They should be
16 starting paving next week sometime.

17 MR. HOOVER: Are they going to do
18 that second cross up on Dunn that we
19 discussed?

20 MR. LOPATKA: I'm going to get
21 information on that. I looked, because we
22 had done something a couple years back. I
23 might need a little more information --

24 MR. HOOVER: I want to get that done
25 before you decide to --

1 MR. LOPATKA: I can tell them to
2 hold off on Dunn right now.

3 MR. HOOVER: Hold off on Dunn. Joe,
4 you can get that information?

5 MR. LOPATKA: No, I have to get some
6 surveys. The one on Sanderson.

7 MR. BUTLER: I read on your report
8 here that Emlaw never got in contact with
9 anybody.

10 MR. LOPATKA: I haven't heard
11 anything. Nothing was submitted to the
12 borough.

13 ATTY. RINALDI: Are they coming to
14 the meeting at the end of the month?

15 MR. SOKOLOWSKI: I tried to contact
16 him. He hung up on me.

17 MR. HOOVER: Is he still working out
18 of that building?

19 MR. SOKOLOWSKI: No.

20 MR. HOOVER: Everybody says he's not
21 but his car's there all the time.

22 MR. SOKOLOWSKI: I went in, there
23 was somebody putting pipe on the truck.
24 Taking a piece of pipe out. I said are you
25 guys working here? They're not working

1 there, from what he said. Two minutes later
2 my phone rang. It was him. You go on my
3 property you're going to hear from my
4 lawyer. I don't know.

5 MR. HOOVER: Karen, if you don't
6 mind me putting you on the spot.

7 MS. PICARSKI: He's working. I have
8 pictures. I've noted every time. It's
9 usually between 6 a.m. and 7:30 that all the
10 action happens.

11 MR. SOKOLOWSKI: That's when I was
12 there. About 6:30 I pulled in.

13 MR. HOOVER: Did you get any plans
14 yet or anything? He didn't get nothing
15 done?

16 MR. SOKOLOWSKI: All he said was
17 Dave Cherundolo's my new lawyer. Contact
18 him.

19 MR. HOOVER: Bill, did you contact
20 him?

21 ATTY. RINALDI: I did. He said
22 thanks for the letter. I'll look into it.
23 We already spoke. He's got to come in with
24 plans. That was right before the 4th, right
25 after the 4th.

1 MR. SOKOLOWSKI: I drive by.

2 ATTY. RINALDI: It's a violation of
3 your subdivision ordinance.

4 MR. HOOVER: The next step is?

5 ATTY. RINALDI: I'll get together
6 with Mike and fill out a citation or we can
7 actually go to court. We can do both.

8 MR. HOOVER: Unless he sends a
9 letter stating that --

10 MR. SOKOLOWSKI: He more or less
11 just hung up on me. Talk to his lawyer.

12 ATTY. RINALDI: First I heard that.

13 MR. HOOVER: Okay, next step.

14 MR. RUSSELL RINALDI: Any other
15 questions for Dave? Thanks, Dave.

16 Police Chief Jay Dubernas is absent
17 from the meeting. We have his report. If
18 we have anything we can e-mail him or call
19 him.

20 Next we have Assistance Fire Chief
21 Bill Stull.

22 MR. STULL: Nothing for the meeting.

23 MR. RUSSELL RINALDI: Anybody have
24 any questions for Bill? Thank you, Bill.

25 Attorney Rinaldi, solicitor's

1 report?

2 ATTY. RINALDI: Just a reminder that
3 Thursday is the comprehensive plan and
4 zoning meeting at 6:30.

5 MR. RUSSELL RINALDI: Anybody have
6 any questions for the solicitor? Thanks,
7 Bill.

8 Marylynn, Borough manager report.

9 MS. BARTOLETTI: All of you have my
10 financial reports. Anybody have any
11 questions? No? Just a couple things to
12 add. In June we sent out the sewer bills.
13 Approximately 3,700 that we sent out.

14 Our new DPW manager truck was
15 delivered the end of June, and the older
16 truck now has been transferred to the parks
17 department.

18 We were awarded \$337,422 from DEP
19 for consecutive grants that Joe and I put
20 together.

21 I just wanted to give you an update
22 on our PLGIT account that we have. We have
23 \$90,000 in interest for the first six months
24 of the year.

25 MR. FEBBO: Where does that money

1 come from?

2 MS. BARTOLETTI: It is an investment
3 that I think is called Pennsylvania Local
4 Government Investment Trust, and you have to
5 be able to invest money for certain amounts
6 of time depending on what accounts you want
7 to invest in. So any excess that we have
8 that we know we won't use over the next 90
9 or 120 days I invested for us and that's
10 been our return so far.

11 MR. FEBBO: So you invest the money
12 for the borough and generated how much?

13 MS. BARTOLETTI: In the past six
14 months it was \$90,000. That doesn't include
15 our other account.

16 MR. HOOVER: Very good, Mare.

17 MS. BARTOLETTI: Camp will end on
18 Friday and we have 110 kids.

19 On the agenda for tonight we're
20 going to discuss my new copier contract.
21 That's it.

22 MR. RUSSELL RINALDI: Anybody have
23 any questions for Marylynn?

24 MR. NOTARI: Marylynn, nice job on
25 the grant, on the investment in the PLGIT,

1 on the park program, and also we haven't
2 talked about this. About a month ago in the
3 newspaper there was an analysis on pension
4 funding ratio and we seem to be one of the
5 more healthier among the municipalities in
6 the county and that's related to you.

7 Thanks for your work. Didn't go unnoticed.

8 MR. RUSSEL RINALDI: Anyone else
9 have any questions for Mare? Thank you,
10 Mare.

11 Before we go into new business we'll
12 go into public comment. Doctor Notari?

13 DR. NOTARI: Doctor Robert Notari,
14 103 Tioga Court. Good evening. I was here
15 to discuss something that had happened at
16 last week's meeting, which has obviously
17 changed on the agenda. But because I'm here
18 and I don't know if I'll ever make it back
19 during the next public comment I just wanted
20 to give you some information so you're aware
21 of things that affect the borough, the
22 decisions you make that maybe you're not
23 aware of and most people aren't aware of.

24 2016 there was a change in state law
25 that all new school funding flowed through

1 this thing called Fair Funding. So over the
2 billions over the last seven years all
3 monies that go to the school districts flow
4 through something called Fair Funding. Part
5 of the formula has three key elements.

6 The first key element is number of
7 students. For better or worse, it's just
8 basic number of students. Variables that
9 affect that, poor, abject poor, English,
10 things like that.

11 Two of the major factors that are
12 part of the equation that the state looks at
13 when determining funding is median household
14 income, and as you've seen over the last
15 seven years with the developments that have
16 occurred our median household income has
17 gone up, which is wonderful. However, the
18 state then looks at that and says you could
19 fund the school yourself and don't need our
20 help. Okay.

21 One of the other things that occurs
22 is they look at the number of households in
23 your school district. Old Forge has 3,756
24 taxable properties. Old Forge is recognized
25 by the state as having 3,666 households.

1 That's 90 parcels that they feel aren't
2 households. Think about Old Forge. You
3 could probably name 90 like this that aren't
4 households. How does that occur? When you
5 have a property that has multiple units on
6 it that increase the amount of households
7 per taxable property. So if you have a new
8 200 unit development on one property that's
9 a 200-to-1 ratio that then has to get
10 funneled to every other taxpayer in the
11 town. Larger towns and cities and school
12 districts it's easy to absorb. Something
13 like us, we're a bedroom community, gets
14 passed on to all our senior citizens without
15 any consideration of the state because all
16 they do is look at the formula.

17 So the more units we have per
18 taxable property is deleterious to the
19 school district's effort to get funding from
20 the state, which then we have to raise taxes
21 on the residents. If you've noticed, we've
22 been banging the residents hard because
23 we're trying to overcome this issue that
24 we're not getting more state funding because
25 we keep increasing our household income and

1 we keep increasing units per taxable
2 properties.

3 One of the other issues is one of
4 those main properties isn't being taxed, so
5 the last seven years we haven't had the tax
6 income to outweigh the number of units going
7 up, which then, again, gets passed on to all
8 our residents. If we're going to do another
9 one which, again, over a ten year period is
10 going to raise the amount of household
11 income it's great for the town, not so good
12 for our formula. It's going to raise the
13 amount of units per taxable property.
14 Everything is going to continue to get
15 buried on the rest of the residents of this
16 town.

17 Now, nice and easy. Easy for the
18 borough, we don't really raise taxes, but we
19 had this conversation months ago. The
20 borough raises taxes, it comes out of the
21 resident's pocket. School raises taxes, it
22 comes out of the same resident's pocket.
23 Decisions you make affect us as a taxing
24 unit, and as a resident that's just going to
25 get buried and buried and buried because of

1 what looks like a great idea and all the
2 deleterious effects that nobody ever sees or
3 saw coming. Nobody in 2016 thought that was
4 going to be a possibility. Everybody
5 thought it was a great idea. Seven years
6 later as we keep watching our funding going
7 down and our taxes going up from the school
8 district. This is one of the reasons why.
9 Just wanted to let you know that going into
10 your decision making process that it's not
11 just a borough issue that you're going to
12 make. It's going to affect all of our
13 residences on the other hand by the school
14 trying to outweigh the decision that you're
15 making.

16 MR. RUSSELL RINALDI: I don't know
17 if you have the answer. I don't have the
18 answer. What are the tax base that the
19 school gets from big developments like this?

20 DR. NOTARI: If you're taxing it you
21 get it on the assessments.

22 MR. RUSSELL RINALDI: You said the
23 school district isn't taxing it?

24 DR. NOTARI: The current
25 development. This is being asked to have --

1 MR. RUSSELL RINALDI: I'm not
2 speaking at this point --

3 DR. NOTARI: The one that happened
4 in 2016. The way it was developed by the
5 borough, the school and the county kind of
6 went against the spirit of the LERTA law.
7 LERTA law is ten years flat, that's it. The
8 way that the school district, the county and
9 the borough wrote it up gave it a sliding
10 scale. So currently, right now, instead of
11 a ten year window it's up to a seventeen
12 year window when both the borough and the
13 school district will fully feel the tax
14 dollars from that development. Okay.

15 Right now the borough, this year,
16 will probably collect about \$2,500 from the
17 Maple Ridge Estates with the current LERTA.
18 It should be getting approximately \$22,000
19 if the LERTA was done in the spirit and
20 correct action of the law. So at the end of
21 the ten year period --

22 MR. RUSSELL RINALDI: For Maple
23 Leaf? There's not a LERTA --

24 DR. NOTARI: I'm sorry, Birchwood
25 Estates. They're both on Keyser Avenue. At

1 the end of the ten year period at current
2 assessment the borough would have seen
3 approximately \$75,000 a year. You're not
4 going to see that until 2033. In the four
5 years when the LERTA should have been up the
6 borough will receive about \$12,000 instead
7 of \$75,000.

8 MR. RUSSELL RINALDI: How much does
9 the school get?

10 DR. NOTARI: The school would have
11 received about \$400,000. Currently, right
12 now we're going to get -- the school
13 district will receive about \$50,000 instead
14 of \$150,000. Currently. Then as it goes up
15 and the percentages go up until what would
16 have been the full ten years. The full ten
17 years, which should have been 2026, at
18 current assessment. That's without appeals
19 or anything like that. Just what it is
20 currently assessed at through the county.

21 MR. FEBBO: What is Birchwood paying
22 right now?

23 DR. NOTARI: According to this,
24 \$47,000 -- what will be due this year. So
25 the tax bills haven't gone out yet. I

1 believe it's \$47,545.81.

2 MR. FEBBO: Correct me if I'm wrong
3 on this. Wage taxes, didn't Birchwood
4 contribute \$486,448?

5 DR. NOTARI: No.

6 MR. FEBBO: What did we collect in
7 wage taxes?

8 DR. NOTARI: Total for the year, I
9 believe it's going to be equal. So I
10 believe the total is one million -- total of
11 the whole town.

12 MR. FEBBO: That was collected
13 from -- could you tell us?

14 DR. NOTARI: I don't know how you
15 could break that down. I could just tell
16 you what the total is from the whole town.
17 The whole town pays \$1,174,908 in wage tax.
18 That's gone up in the last -- \$200,000 in
19 the last seven years. So seven years ago,
20 in 2016, the wage tax that was collected by
21 both borough and town, \$961,835.

22 MR. FEBBO: So it would be safe to
23 say that the increase that we've seen, over
24 \$200,000, was because of the influx of the
25 development?

1 DR. NOTARI: No. Partial, sure.

2 MR. FEBBO: Do we have any other
3 development in town that contributed to
4 that?

5 DR. NOTARI: But let me ask you
6 this -- and again, there's no way to figure
7 this out, so we be supposition all the time.
8 How many people aren't paying wage tax?
9 They're just there as retirees. We have no
10 idea how many people are there that don't
11 register as their home abode there. There's
12 no way to find that out. So it's easy to be
13 supposition and say the \$200,000 difference
14 came strictly from a development that was
15 built, but seven other people here, other
16 people that are residents I'm sure have seen
17 their wages go up at the same time in the
18 last seven years and have increased that as
19 well.

20 MR. FEBBO: So you cannot say the
21 majority of the wages that have come in have
22 come in from --

23 DR. NOTARI: No, there's no way to
24 track that. It's impossible. I could say I
25 made an extra \$2 million a year. We have no

1 idea if that's true or not. If my salary
2 went from 1.5 to 2 million how would you
3 know? All it is is a collection through
4 Berkheimer. We get the number that's
5 punched into the budget. Again, it's easy
6 to outweigh this idea of oh, we influx
7 \$200,000. We are losing mass amounts of
8 money in state revenue and to the school
9 district, which then is passed on to the
10 rest of the residents in the form of taxes.
11 Taxes have gone up, I think, 25 percent in
12 the last three years via the school because
13 we are not getting any revenue from the
14 state.

15 Part of what we have done is this
16 type of -- and Mr. Brian Rinaldi has a
17 tremendous presentation that will drive you
18 crazy trying to figure out what it is
19 because he put it together, did the research
20 and found out what our situation was. He's
21 been to Harrisburg, back and forth a few
22 times, he's brought in representatives,
23 superintendent's brought in representatives,
24 senators. There's nothing they can do to
25 beat a formula that's state law.

1 So the decisions that will be made
2 don't just affect the borough in the borough
3 sense, it affects the residents and the
4 taxing ability of everybody else around it.
5 Okay? Thank you.

6 MR. FEBBO: I'd be anxious to hear
7 from Mr. Dunbar's financial consultant here
8 to tell us more about what they do
9 contribute to the community here, because we
10 don't want to get into something like this
11 if it's going to cost us money. But at the
12 same token it's going to generate a lot
13 more money in the community.

14 DR. NOTARI: Well, are they going to
15 present that information? How do you do
16 that?

17 MR. FEBBO: I heard your side of the
18 story --

19 DR. NOTARI: It's not my side of the
20 story, it's actual -- it's not a story.
21 Like I said, if you contact Mr. Rinaldi it's
22 paper, fact. You can ask your borough
23 manager, it's on your budget, what your -- I
24 didn't make it up. It's a number on your
25 budget of your EITC, what comes in. I

1 didn't make up the number. That's what it
2 is. You can ask her for her 2016 budget,
3 her 2013 budget, 2009 budget and give you
4 all those quick numbers and you can see the
5 difference. Thank you.

6 MR. FEBBO: We'll be objective about
7 it.

8 MR. RUSSELL RINALDI: Thanks, Doctor
9 Notari. Mike Bledsoe?

10 MR. BLEDSOE: First and foremost,
11 I'd like to thank all council members for
12 the survey done on Flower Street. It has
13 alleviated some of the issues. My current
14 issue -- and I spoke with Mike previously --
15 is there's still a lot of trees hanging in
16 the area. It's not safe for the children
17 that travel through that property. I'd
18 asked if I could clear that myself. I was
19 told it was a liability. Is there any way
20 that --

21 MR. RUSSELL RINALDI: Whose property
22 it is?

23 MR. BLEDSOE: Borough property.

24 MR. FEBBO: That's not borough
25 property.

1 MR. NOTARI: If it's a paper road
2 it's not borough property.

3 ATTY. RINALDI: It's all the
4 residents. If you're on one side you have
5 rights to that road there. I haven't seen
6 the survey. I don't know where you're at.
7 I couldn't open it. I'll look at it
8 tomorrow.

9 MR. RUSSELL RINALDI: Mike, the
10 determination of the survey, if it's borough
11 property we'll go down there and cut it.
12 Nobody has to --

13 MR. BLEDSOE: I was willing to do it
14 myself but I was told it was a liability.

15 MR. RUSSELL RINALDI: We would
16 handle it ourselves. If it's not borough
17 property, as our solicitor is saying, maybe
18 the residents do have rights to it.

19 MR. BLEDSOE: To my knowledge it was
20 considered borough property. When it was
21 surveyed there was markers put in. One or
22 two of the residents has already removed
23 some of those markers, so they are no longer
24 currently there.

25 MR. RUSSELL RINALDI: Me as one

1 member -- and I hope the solicitor comes
2 back and says it's borough property. We can
3 get down there within a day or two.

4 MR. BLEDSOE: Safety of the children
5 is one of my main concerns.

6 MR. NOTARI: The property owner is
7 the one in question removing the stakes?

8 MR. BLEDSOE: Yes.

9 MR. RUSSEL RINALDI: We'll let him
10 look at the survey. Then if he determines
11 it's borough property we'll get right on it.

12 MR. ZUPON: Good evening, everybody.
13 I just want to congratulate you guys. It
14 seems like the town is starting to come
15 together a little bit better. With Mike on
16 board a lot of things are getting done.

17 The only thing I had a question on
18 was the house off of Oak Street, the
19 apartment building that burned all the way
20 up the upper end --

21 MR. SOKOLOWSKI: It's in court.
22 They're fighting the insurance company. He
23 told me three to six months.

24 MR. ZUPON: Then I had a question to
25 maybe the police or fire department. We can

1 maybe get a program together for a CPR
2 course, something like that. First aid or a
3 CPR course with the new building at the
4 firehouse or here at the borough building.
5 I think that would be a good idea for the
6 residents.

7 MR. RUSSELL RINALDI: You mean a
8 course to teach the residents CPR?

9 MR. ZUPON: Yeah. Show off the
10 borough building or the new firehouse.

11 MR. RUSSELL RINALDI: Bill, does the
12 fire department hold anything like that?

13 MR. STULL: No.

14 MR. RUSSELL RINALDI: I wasn't sure.

15 MR. ZUPON: If you guys can do
16 anything.

17 MR. RUSSELL RINALDI: We can
18 definitely discuss it. I wasn't aware that
19 boroughs did it but it sounds like a pretty
20 good idea.

21 MR. ZUPON: The other thing was
22 today I took a tour down at Birchwood
23 Estates for the first time and I can't
24 believe how nice it is. It's like going to
25 Disneyland in that area. Not a paper out of

1 place, no junk cars, no garbage, no nothing.
2 George Dunbar did a great job on that and I
3 think it's bringing in a lot of money with
4 the residents that are living there. Seems
5 like they're high-end people that live
6 there, which will help the borough.

7 MR. RUSSELL RINALDI: Thanks.

8 MS. VELEHOSKI: We've been living on
9 Milwaukee Avenue for almost three years now,
10 and for the past three years I've contacted
11 the Old Forge Police Department, I've spoken
12 to the chief of police, I have gone -- I was
13 down there in person. The traffic on our
14 road drives so unbelievably fast --

15 MR. RUSSELL RINALDI: Which road?

16 MS. VELEHOSKI: We're on South
17 Milwaukee.

18 MR. VELEHOSKI: Between Drake's Lane
19 and South Main Street. There are no speed
20 limit signs posted and they come through
21 there at ridiculous speeds. There was lines
22 painted on the street but there's no
23 enforcement because there are no speed limit
24 signs posted. We're requesting -- because
25 in our neighborhood there are some young

1 children, there's an elderly couple that
2 came with us. They're our neighbors across
3 the street. They're expecting a child in
4 the next month.

5 So all we're asking is speed limit
6 signs be posted and, if possible, no through
7 traffic.

8 MR. FEBBO: Where is that?

9 MR. VELEHOSKI: Milwaukee Avenue,
10 where Milwaukee and Drake's meet. By Preate
11 Winery.

12 MR. HOOVER: We're scheduled to pave
13 that.

14 MS. VELEHOSKI: Paving isn't the
15 problem. I know the road's a mess. They'll
16 go even faster then. We were actually, for
17 the past three years, parking so that our
18 cars were with two tires on the one side of
19 the car on our sidewalk because his car --

20 MR. LOROW: About two months ago my
21 car got sideswiped.

22 MS. VELEHOSKI: And we park so that
23 there's enough space for the cars to go
24 through so we don't get hit. Well, we came
25 out -- this was last week or the week

1 before -- and four or five of the cars on
2 the street, we all got citations for parking
3 on our sidewalk. Now we're parking on the
4 street and the cars are trying to beat each
5 other so that they can pass through. It's
6 just ridiculous. I practically begged the
7 chief of police please, could you just have
8 someone sit there, and he said well, I have
9 people sitting down by the bottom, there, by
10 the car wash. I said that doesn't do us any
11 good. They fly and then they stop for the
12 stop sign and turn by the car wash.

13 MR. RUSSELL RINALDI: Are you guys
14 more towards Drake Street --

15 MS. VELEHOSKI: We're right in the
16 middle.

17 MR. VELEHOSKI: Right near Harrison.

18 MR. RUSSELL RINALDI: What we could
19 do is we can relay it to the chief about
20 putting either lines and speed trap there,
21 speed limit signs, and maybe a little bit
22 more patrol.

23 MR. VELEHOSKI: There are lines
24 already painted.

25 MS. VELEHOSKI: Nobody came out to

1 monitor them.

2 MR. RUSSELL RINALDI: So we'll relay
3 to him that you guys are requesting maybe
4 speed limit signs on the road and then a
5 little bit more patrol.

6 MR. LOROW: At the end of Drake's
7 there's a turn onto Main and it's normally a
8 very long light. Nobody wants to wait at
9 that light so it's just through traffic.

10 MS. VELEHOSKI: They're doing a cut
11 through. I think that's the whole problem
12 because that light is very long. There's no
13 turn on red. So these cars are using our
14 street as a cut through to get down to the
15 other part of Main.

16 MR. RUSSELL RINALDI: We'll relay it
17 to the chief and ask him to do a little bit
18 more patrol there and also speed limit
19 signs. Have a good evening.

20 Laureen Cummings?

21 MS. CUMMINGS: I'm just here because
22 there's a project going on in Moosic that
23 someone reached out to me and asked me to
24 let you all know about. There's a 1.1
25 million square foot warehouse being asked to

1 be built on old Powder Mill Road. So
2 apparently the project is going to bring in
3 over 900 trucks coming through in the
4 morning and in the afternoon. There's only
5 a few ways out of Old Forge to get to 81.
6 That's down Moosic Road, make a left onto
7 Main, and then go over to 81 south or north.
8 That's going to be completely filled with
9 trucks. Nine hundred and some trucks is
10 going to add to our way to get to work
11 through the area.

12 I'm from Moosic, so it's a little
13 bit upsetting to me to see that happen to
14 the people on Spike Island. I know what
15 it's like to get out into 81 every morning.
16 It's really difficult. Now they're talking
17 about bringing more residents in that are
18 going to have more problems getting onto 81.
19 So I just wanted to bring it to your
20 attention.

21 MR. RUSSELL RINALDI: Off of 502.

22 MS. CUMMINGS: Luzerne County
23 already said no to their approvals for the
24 zoning so they went to Moosic. There was
25 over 80 people at the Moosic Borough meeting

1 to resist this. I don't know what's going
2 to go on with the 81 project, but right now
3 it didn't happen. As someone that has
4 traveled that road in the winter we always
5 had a problem with semis jackknifing on the
6 hill up to 81. Just always been a problem.
7 Just wanted to bring it to the residents'
8 attention. Thank you so much for listening.

9 MR. RUSSELL RINALDI: Thank you,
10 Laureen. Bob Pikarski?

11 MR. PIKARSKI: I showed the pictures
12 last meeting. He's supposedly closed, which
13 he isn't.

14 MR. RUSSELL RINALDI: Bill, the
15 property down on South Moosic --

16 ATTY. RINALDI: I know I asked Mike
17 to check.

18 MR. SOKOLOWSKI: I spoke with Jerry
19 Styles. He's on vacation. He called me
20 back yesterday. He said he's going to stop
21 down and see what he can do.

22 MR. PIKARSKI: He's still sending
23 stuff out and nothing's getting done.

24 MS. PIKARSKI: It's usually early in
25 the morning he's loading the trucks.

1 MR. SOKOLOWSKI: Call me in the
2 morning. I'm here by 7:00.

3 MR. FEBBO: You know Mike is on it.
4 We all are, really.

5 MR. HOOVER: Do the next step in the
6 process. We're going to do the next step.
7 Write the letter.

8 MR. RUSSELL RINALDI: Mr. Dunbar and
9 Mike Gallacher?

10 ATTY. GALLACHER: Good evening. My
11 name is Mike Gallacher. I represent Holly
12 Ridge Estates, Inc. and Mr. Dunbar. I've
13 obviously been in front of council a number
14 of times, including most recently last week.
15 We are here again this week in follow-up to
16 that meeting last week in relation to a
17 LERTA for the Holly Ridge development.

18 There have been a few developments
19 in the last week since we were here. We
20 were able to hunt down and obtain some
21 additional documents related to the Holly
22 Ridge property. With council's indulgence
23 I'd like to just do a little brief history,
24 not too long, but going back to about 2009,
25 2010 in relation to this property, the TIF

1 that was discussed at the last meeting that
2 there is on the property, how that came
3 about, where it is now, and where we're
4 asking council to move forward at this
5 point.

6 MR. RUSSELL RINALDI: Just so you're
7 aware, under new business there will be a
8 motion proposed tonight about Holly Ridge
9 Estates. Just so you're aware.

10 ATTY. GALLACHER: And that's what we
11 are asking. When I do my presentation we're
12 going to ask for the LERTA to be enacted
13 tonight, to be passed. That's our request
14 tonight.

15 To understand the history I just
16 want to give a brief summary of the TIF
17 legislation. TIF legislation is the law.
18 It's basically what the legislature and then
19 signed by the governor says here's the law,
20 here's what you do. Under TIF, if you want
21 to get a TIF area approved there's a whole
22 process that you have to go through just
23 like you have to do to get a LERTA.

24 What it requires is essentially that
25 the area redevelopment authority come up

1 with a plan, that they go to the local
2 municipal governing entities -- i.e., the
3 council and the school board -- that they
4 present the plan, and that the school board
5 and council then approve a plan and send it
6 back to the redevelopment authority, which
7 then says yup, council's approved it, school
8 board's approved it, we're going to
9 designate this as a TIF area.

10 What the statute actually says is in
11 relation to the involvement of the local
12 municipal governments -- in other words, the
13 borough of Old Forge -- it says it shall be
14 created. "A tax increment district shall be
15 created in the following manner," and it
16 says that "the governing body of the
17 municipality which will create the tax
18 increment district shall hold at least one
19 public hearing at which interested parties
20 are afforded a reasonable opportunity to
21 express their views on the concept of tax
22 increment financing on the proposed creation
23 of the tax increment district and its
24 proposed boundaries."

25 So the TIF law requires that the

1 borough of Old Forge have a public meeting
2 in order to approve a TIF.

3 It then goes on to say that once
4 they have that -- and it says, actually,
5 they have to advertise the meeting, it has
6 to be advertised at least 30 days before
7 then.

8 The statute then goes on to say that
9 after that meeting the borough has to wait,
10 and it says "in order to create the district
11 and adopt the project plan the governing
12 body of the municipality which will create
13 the district" -- again, the Old Forge
14 Borough -- "shall adopt, not earlier than
15 three weeks after the public hearing
16 described in the previous paragraph of the
17 statute, a resolution or ordinance" that
18 basically has to set forth certain things
19 and certain findings including that the
20 district is blighted.

21 So under the TIF statute there has
22 to be a public hearing by Old Forge Council,
23 there has to be a public hearing also by the
24 Old Forge School District. Following that
25 there has to be a period of at least that

1 three week period, and then the borough and
2 the school board can pass a resolution
3 approving the TIF. It then goes back to the
4 redevelopment authority, they say okay, this
5 has been approved by council, it's been
6 approved by resolution of the Old Forge
7 School Board, we are going to create the
8 TIF. We're going to create this district.

9 So that's the process that has to go
10 through. There has to be a designation of
11 blight, a resolution saying there was a
12 designation of blight, and then the
13 approval.

14 What we have here is we had just
15 that happen. So back in 2009 the
16 redevelopment authority apparently came to
17 Old Forge and to the school board -- the
18 statute says they have to meet with someone
19 from there -- and a TIF was proposed for
20 this property that Holly Ridge now owns. It
21 was actually two parcels at the time. One
22 of the parcels has since been sold off. So
23 it included the Holly Ridge property and
24 another piece of property.

25 Pursuant to the Old Forge ordinances

1 and codes it went in front of the planning
2 comission. So the Old Forge Planning
3 Commission had its own public hearing on the
4 TIF, and on August 6, 2009 the borough of
5 Old Forge passed a resolution describing
6 this specific property as 23 acres, has the
7 pin number of the property, it goes through
8 the requirements for blight, and the Old
9 Forge Planning Commission specifically says
10 "it's found and determined that this project
11 is a blighted area based on one or some of
12 the conditions enumerated above."

13 So they found that this was
14 specifically a blighted property. The Old
15 Forge Planning Commission determined it was
16 blighted back on August 6 of 2009. If
17 council wants to see any of these documents
18 I have these. I have copies if you'd like
19 to see them.

20 Next it goes to the school board, so
21 that's in August of 2009. In November of
22 2009 it goes in front of the Old Forge
23 School Board, and the Old Forge School
24 Board, on November 18 of 2009, issues a
25 resolution also. The resolution

1 specifically addresses that it's a
2 resolution specifically under TIF. It's
3 there to "address conditions of blight and
4 inadequate planning and development." It
5 says "conditions upon the tax increment
6 district being duly created, all
7 requirements of the Tax Increment Financing
8 Act being duly complied," and goes on to
9 approve the district.

10 So the Old Forge School Board
11 essentially says yup, we recognize that the
12 requirements of the TIF Act are being met.
13 There is a blighted condition here. By law
14 they would have to have had a public
15 meeting. They don't specifically reference
16 it in this document, but they would have had
17 to have had it, and they issued this
18 resolution on November 18 of 2009.

19 We then get to the Old Forge Borough
20 Council. They were a little later, but in
21 June of 2010 it apparently comes in front of
22 the Old Forge Borough Council and they issue
23 a resolution also. I don't know if any of
24 you were members at the time. I suspect
25 probably not. But in 2010 the borough of

1 Old Forge signs a resolution, approves a
2 resolution, passes a resolution, whatever
3 you want to say, where it has language
4 almost identical to the school board
5 resolution, recognizes the requirements of
6 the TIF Act to "address conditions of blight
7 and inadequate planning and development."
8 It says specifically that the borough of Old
9 Forge desires to participate in the project,
10 and, again, it recognizes that the TIF will
11 be approved, all conditions of the Tax
12 Increment Financing Act being duly complied
13 with.

14 So the borough of Old Forge, again,
15 by the statute, would have had to have had a
16 meeting. The resolution does not
17 specifically recognize that there was a
18 public meeting held but they would have had
19 to have done it pursuant to the TIF Act
20 because that's what's required.

21 So we now have -- and I should point
22 out that I know members of council may not
23 have been members then, but actually the
24 secretary was still the same. It was
25 actually signed by Marylynn Bartoletti. So

1 at the time we have a signature, it was
2 passed, the resolution was passed, and it
3 was sent back to the redevelopment authority
4 of Lackawanna County.

5 Part of the reason that we know that
6 the public meeting was held, because when it
7 goes back to the redevelopment authority and
8 it goes to the county commissioners they
9 also sign a resolution. This resolution is
10 signed on July 28 of 2010. This is about a
11 month after the Borough of Old Forge Council
12 signs its resolution.

13 In the county resolution it
14 specifically recognizes that there was a
15 meeting held by Old Forge -- here's what it
16 says. "The borough of Old Forge School
17 District and the borough, each having agreed
18 to participate in the plan pursuant to a
19 resolution duly adopted by borough council
20 and the borough of Old Forge on June 15,
21 2010, and pursuant to a resolution adopted
22 by the board of school directors of the
23 school district on November 18, 2009,
24 respectively, and have provided copies of
25 the resolution to the county."

1 It then says "whereas, a public
2 hearing has been duly advertised and held on
3 July 6, 2010 pursuant to the requirements of
4 the TIF Act and its proposed boundaries, and
5 all conditions precedent to the creation of
6 the TIF district as required by the TIF Act
7 having been satisfied," the resolution then
8 goes on to approve the TIF district.

9 So we have Lackawanna County, then,
10 recognizing that the borough of Old Forge
11 and the school district of Old Forge and the
12 planning commission recognize this property
13 as blighted property, as it's required to do
14 pursuant to the TIF Act, that they agreed to
15 the TIF, and that they passed a resolution
16 saying this is a blighted property. We
17 declare it's blighted pursuant to the
18 conditions that are required under the act
19 to determine it's blighted and the TIF is
20 hereby approved.

21 Now, what we found out is the TIF
22 never really was implemented because the
23 owner at the time didn't get the financing.
24 But you have TIF that was approved based on
25 the determination that the area was

1 blighted. I'm sure you're all familiar with
2 that property. Nothing has been done with
3 that property since. It has not been
4 improved, it has not gotten better. If
5 anything, it's probably gotten worse.
6 There's probably a little more dumping going
7 on there, it's a little more overgrown. It
8 has not gotten any better and the blight
9 condition is still there.

10 So the LERTA statute requires that
11 in order to pass the LERTA it has to be a
12 finding of blight. Our position is that
13 that has been done. There has been a
14 finding of blight. That they found -- Old
15 Forge Council, the school board, the
16 planning commission and Lackawanna County,
17 back in 2009 and 2010, looked at this
18 property very carefully. They came
19 together, they met, they looked at it,
20 examined blueprints, plans, everything and
21 determined this is a blighted property.

22 So our position is we have the
23 determination of blight. Pursuant to LERTA
24 you need that determination of blight before
25 you can approve the LERTA.

1 Now, the statute also says that if
2 you have a TIF you can't have a LERTA. You
3 can only have one or the other. When we
4 were before you last -- like I said, we've
5 gotten more documents. Even some of these
6 as recently as today. So what we're asking
7 is that the borough would have to dissolve
8 the TIF and grant the LERTA. We're asking
9 that those be done at the same time. Now,
10 specifically the TIF statute -- again, I
11 want to refer council to that -- provides
12 for how to do just that. It basically says
13 you can't have a TIF without -- or you can't
14 have a LERTA without the TIF being
15 dissolved. It says "the existence of a Tax
16 Increment District shall be terminated when
17 either of the following occurs."

18 One is the TIF is played out,
19 paraphrasing there. Basically the money's
20 granted, it's paid back. All that is done
21 the way it should be done.

22 Two, "the governing body of the
23 municipality which created the district" --
24 that would be Old Forge Council -- "by
25 resolution dissolves the district." So the

1 borough council is the only one that can
2 dissolve the district. You would be the
3 ones that would have to dissolve the
4 district, and we're asking that the TIF
5 district be dissolved in conjunction with
6 the granting of the LERTA.

7 Now, we can get into -- and we have
8 our accountant here to give some information
9 on that. I'm not going to get into the
10 numbers and everything like that. We gave
11 you a lot of that stuff last week.

12 So we are asking that the LERTA be
13 granted tonight. We think that it can be
14 granted. There's no reason not to. It's a
15 blighted property. It was declared blighted
16 by the planning commission, the Old Forge
17 Council, the Old Forge School District, and
18 Lackawanna County. That has not changed.
19 But we do need to dissolve the TIF in order
20 to grant the LERTA. We're asking that that
21 be done.

22 I know Chief Semenza indicated that
23 he would be talking about Doctor
24 Notarianni's comments, and I'll just make a
25 couple brief statements on that and then

1 I'll turn it over to our financial
2 accountant to talk about some of the
3 numbers.

4 If you could go back in time to
5 before Birchwood was built, and if we were
6 coming back in front of you at that time and
7 someone came in and said we don't want
8 Birchwood, we'd rather have a vacant lot
9 where people dumping on it, we don't want
10 all those people coming in with mid to high
11 range incomes, we don't want a beautiful
12 development there, we'd rather have a
13 blighted property, would you have granted
14 the LERTA or not?

15 Would you be better off with what's
16 there now, that yes, right now there is a
17 tax deferment which made that development
18 possible, but in the not too distant future
19 the borough and the school district and
20 everybody's already starting to recognize
21 some of the increased taxes on the
22 assessments only -- I'm not talking about
23 the income that's coming in from all the
24 residents. But you're starting to recognize
25 and see the tax income from the property

1 itself, the property tax income, and that's
2 going to grow over time.

3 In several years, instead of
4 getting -- I think it was about \$400 a year
5 from that property, everybody's going to be
6 getting thousands, tens of thousands of
7 dollars in tax revenue from that property.
8 So that's a question I would ask as you're
9 sitting here now.

10 But I'd point out also that we're
11 not here tonight asking for whether or not
12 Holly Ridge should be allowed to go forward.
13 That's been done a long time ago. Those
14 plans are already approved, the development
15 is approved. It's most likely going to get
16 built in one form or another. So the
17 question is do you want to have a nice
18 development where you have high-end people
19 coming in? I think by Doctor Notarianni's
20 argument, I think -- this is how I was
21 seeing it -- he would almost rather that it
22 not be developed at all or that it be
23 developed with low income families so that
24 it's showing that the numbers are down so
25 they can get more money for the school

1 district. It's a strange argument to me. I
2 don't think I've ever heard of a community
3 that says well, we don't want to develop
4 properties so that we can get more money for
5 the school district or we'd rather have all
6 this low income property people coming into
7 the area because it's going to give us more
8 money for the school district. It doesn't
9 make sense to me. I think that, you know,
10 what we presented last week, the quality of
11 the work that Mr. Dunbar does with all the
12 developments that he's done, I think that
13 you want to keep Old Forge moving forward
14 and not go back, and I think the way to do
15 that is to allow Holly Ridge to be developed
16 in a way similar to Birchwood that's going
17 to bring in good quality people and make it
18 a wonderful development that's going to
19 generate a lot of money for the borough, for
20 the school district, for everyone over a
21 period of time.

22 So that's what we have. I'll refer
23 to Mr. Chris Wartella unless any of you have
24 any questions for me.

25 MR. FEBBO: We hear you, what you

1 had to say. We sat here in executive
2 session with our attorney. Based on what he
3 had to say I'm confused. I don't know about
4 everybody else.

5 ATTY. RINALDI: Well, he's right on
6 everything but one point. A TIF district
7 can only be created by an industrial
8 development authority or a redevelopment
9 authority. This district was created by
10 Lackawanna County Redevelopment Authority.
11 They are going to disavow it. They're going
12 to put an ad in the paper tomorrow.

13 ATTY. GALLACHER: I don't think they
14 can disavow it, Bill, with all due respect,
15 once it's been created.

16 ATTY. RINALDI: They're the only
17 ones that can. As long as bonds aren't an
18 issue they can disavow it. I'll give you
19 the section. First of all, you want to look
20 at powers of authority. Actually, if you go
21 to the beginning of the act and read it, it
22 says "industrial and commercial development
23 authority or redevelopment authority."

24 ATTY. GALLACHER: You're referring
25 to the TIF Act. Okay.

1 ATTY. RINALDI: Once they propose
2 it, then they make a formal presentation to
3 the governing body, which in this case is
4 the borough and the school district and
5 Lackawanna County.

6 ATTY. GALLACHER: Correct.

7 ATTY. RINALDI: So that's who
8 created this particular TIF. It was the
9 county that created it. The redevelopment
10 authority. We approved it, said we don't
11 have any objection to it. We go along with
12 it, the borough.

13 To dissolve it, if you go down to
14 section eight, "the governing body is the
15 municipality which created the district and
16 which can dissolve that district." In that
17 case the creator governing body is the
18 Lackawanna Redevelopment Authority. "The
19 district may not be dissolved as long as tax
20 increment bonds or notes for the district
21 remain outstanding."

22 So she went through all the minutes,
23 didn't find that last one I indicated, but I
24 have a resolution from December 9, 2009
25 where the redevelopment authority enacted a

1 TIF district on two pin numbers in Old
2 Forge. Your client now owns one of them.
3 And then they put the conditions to do the
4 rest of it, proposed to the borough or the
5 school district. They were aware of it as
6 of Friday. Monday they reviewed all the
7 information. Their solicitor got back to me
8 at 5:17 today. There was an agreement. "We
9 will do a resolution to disavow any TIF so
10 that the LERTA can for forward. So that's
11 going to be done.

12 ATTY. GALLACHER: Well, I disagree
13 with you on that, Bill, because I think that
14 section eight is talking about the
15 municipality which created the district,
16 which would in this case include Old Forge
17 because it specifically describes, if you
18 look at the definitions, "the governing body
19 as the legislative body of the municipality
20 authorized by law to levy taxes."

21 ATTY. RINALDI: I only go by who
22 created it, and I know we didn't create it.

23 ATTY. GALLACHER: Well, I think the
24 borough did create it.

25 ATTY. RINALDI: We approved it.

1 ATTY. GALLACHER: Approved it and
2 partially created it, but it has to be the
3 governing body of the municipality which
4 created.

5 ATTY. RINALDI: Basically you want
6 to talk to Lackawanna Redevelopment
7 Authority --

8 MR. RUSSELL RINALDI: Attorney
9 Gallacher, if I can interrupt, because it
10 seems like we were on page and then we got
11 off and then I got confused as well. I was
12 going to ask about the TIF being created by
13 the county or us and who has to disavow
14 first. According to the findings today that
15 we discussed with our solicitor prior to the
16 meeting those were the findings that we had.
17 So our motion tonight was going to read to
18 entertain a LERTA contingent upon the county
19 disavowing the TIF, because according to the
20 documentation he got from them they would
21 have to disavow it before we could or we
22 don't even have the authority to disavow it.

23 Now with you reading that -- and
24 I'll be honest, I don't quite understand
25 that. So I was taking it that the county

1 had to disavow it first, so that's why when
2 you guy were on the agenda for this evening
3 it was going to be contingent upon them to
4 disavow it. Just so you're aware of that.

5 ATTY. GALLACHER: Perhaps I could
6 propose a compromise here. Perhaps a
7 resolution that would say the LERTA is
8 approved contingent upon the TIF being
9 dissolved. I don't think it has to be
10 disavowed. The statute specifically says
11 dissolved.

12 ATTY. RINALDI: Two problems with
13 that.

14 ATTY. GALLACHER: The second part of
15 what I was going to say is but we will
16 disavow it to the extent that we can.
17 Meaning we, the council, will disavow it.

18 ATTY. RINALDI: We have to advertise
19 the ordinance and have a public hearing on
20 the LERTA district. There's no LERTA
21 district on the property. If you read the
22 ordinance this council has to set a LERTA
23 district. It's already been blighted. We
24 can use what was done in the past, but the
25 boundaries of the district, whether it's

1 your project or property, five blocks or the
2 entire borough, it has to be determined by
3 council pursuant to LERTA. You read all
4 your --

5 ATTY. GALLACHER: But that's been
6 done already. Whether it's TIF or LERTA it
7 doesn't matter.

8 ATTY. RINALDI: No --

9 ATTY. GALLACHER: The LERTA statute
10 says you have to set a boundary of the
11 blighted area and it has to be --

12 ATTY. RINALDI: I read it for
13 council. And we're talking about you want a
14 LERTA. Correct?

15 ATTY. GALLACHER: We want a LERTA.
16 Correct. Whether it's a blight under TIF or
17 a determination of blight under LERTA, it's
18 been done.

19 ATTY. RINALDI: LERTA we have the
20 ability to do without anybody else. So we
21 can decide what is a deteriorated or an
22 economically depressed community in the
23 borough prior to the adoption of an
24 ordinance or resolution -- in this case it
25 has to be an ordinance -- authorizing the

1 granting of tax exemptions to your client.
2 You're the one that wants the tax
3 exemptions. Correct?

4 ATTY. GALLACHER: We do, Bill, and
5 that's been done. That's what I'm saying.
6 Pursuant to LERTA --

7 ATTY. RINALDI: You have an
8 ordinances that says we gave --

9 ATTY. GALLACHER: There's no LERTA
10 yet, but all the LERTA statute says --

11 ATTY. RINALDI: "Prior to the
12 adoption of the ordinance authorizing the
13 granting of a tax exemption" -- which is
14 what you're asking for --

15 ATTY. GALLACHER: That is correct.

16 ATTY. RINALDI: "The municipal
17 governing body" -- borough of Old Forge in
18 this case -- "shall affix the boundaries of
19 a deteriorated jurisdiction, if any. At
20 least one public hearing shall be held by
21 the municipal governing body for the
22 purposes of determining said boundaries of
23 LERTA districts."

24 ATTY. GALLACHER: I doesn't say of
25 the LERTA district, Bill. You're reading

1 that into it. It says -- you're correct.
2 It says there has to be one public hearing.
3 The public hearing is for purposes of
4 determining the boundaries of the blighted
5 property. It says that before the LERTA can
6 be granted the council has to determine the
7 boundaries of the blighted area, and they
8 did that.

9 ATTY. RINALDI: You want to set the
10 boundaries of the LERTA district --

11 ATTY. GALLACHER: It's been done.

12 ATTY. RINALDI: We never had a
13 meeting on setting the boundaries of a LERTA
14 district --

15 ATTY. GALLACHER: You had a meeting
16 on setting the boundaries of the blighted
17 property.

18 ATTY. RINALDI: We agreed to a TIF
19 district, and the planning commission
20 recommended a blighted area under the
21 original --

22 ATTY. GALLACHER: And council
23 approved it as a blighted area.

24 ATTY. RINALDI: Everything you
25 read in accordance with the TIF, in

1 accordance with the TIF, we did this -- we
2 did this, we did this. Nothing says LERTA.
3 All I'm saying is council wants to get this
4 moving forward, we're getting it moving
5 forward.

6 ATTY. GALLACHER: Whether it was
7 done for TIF or LERTA it doesn't matter.
8 Both statutes require that the council set
9 the boundaries of the blighted district.
10 That was done. That has not changed. It's
11 been done.

12 ATTY. RINALDI: Read the ordinance.
13 Prior to adoption of the ordinance.

14 ATTY. GALLACHER: And that's been
15 done. It was done in 2009 and 2010.

16 ATTY. RINALDI: We set the areas
17 of -- deteriorated areas to be declared --

18 ATTY. GALLACHER: It's determined a
19 blighted area. Whether it was for LERTA or
20 TIF doesn't matter.

21 ATTY. RINALDI: You can't apply
22 areas for different tax purposes. We have
23 not said anybody in this area can have a
24 LERTA. That's what the ordinance does.
25 Now, your area is small. You're asking for

1 just that new Holly Ridge Estates to be a
2 LERTA area.

3 ATTY. GALLACHER: Correct.

4 ATTY. RINALDI: So they're going to
5 have a public meeting to say that's going to
6 be a LERTA district. Not a TIF district, a
7 LERTA district.

8 ATTY. GALLACHER: Our position,
9 council, is that that's already been done.
10 It was done in 2010 by council, in June of
11 2010. It was approved as a blighted area.
12 That complies with the requirements of the
13 statute, and I'm confident if this ended up
14 in any court in front of any judge they
15 would read the statute that way, because all
16 it says is before you grant the LERTA you
17 have to set the boundaries of the blighted
18 area, and that was done back in 2010 by
19 council here.

20 ATTY. RINALDI: Deteriorated area
21 for purpose of LERTA.

22 ATTY. GALLACHER: It doesn't say for
23 purposes of LERTA. You added that in. It
24 does not say that.

25 ATTY. RINALDI: Deteriorated

1 property. "Any industrial, commercial or
2 other business properties in a deteriorated
3 area as provided for, such property which
4 has been subject to an order of governing
5 agency require the unit to be vacated" --

6 ATTY. GALLACHER: Well, we're
7 asking --

8 ATTY. RINALDI: We never did a
9 deteriorated property on a LERTA. That's
10 all I'm saying.

11 ATTY. GALLACHER: And you don't need
12 to. The statute says that there has to be a
13 determination of deteriorated or blighted
14 area prior to approval of LERTA. That's
15 been done. We're asking council to vote on
16 it tonight to approve the LERTA, again,
17 conditioned upon dissolution of the TIF,
18 whether it's supposed to be by the county,
19 or to the extent that council can dissolve
20 it, to dissolve it. To vote to dissolve it.

21 Again, our position is it's the
22 council that needs to do it. If the county
23 wants to do it or the redevelopment
24 authority it's redundant, perhaps. That's
25 fine. But we're asking that there be a vote

1 tonight on approval of the LERTA and not
2 come back for another public hearing because
3 it's already been done. We've already done
4 it once. We don't need to do it again and I
5 don't think council needs to waste time
6 doing it again. It's been done. There was
7 a lot of time and effort put into it back at
8 that time.

9 So the property hasn't changed.
10 It's still blighted. It's already been
11 done. Our position and our request is to
12 vote on the granting of the LERTA tonight.
13 That's what we're asking for.

14 MR. RUSSELL RINALDI: Attorney
15 Gallacher, you're saying that your position
16 representing Holly Ridge Estates,
17 Mr. Dunbar, you are saying that you don't
18 think it has to go before a public meeting
19 because it already did?

20 ATTY. RINALDI: The ordinance --

21 ATTY. GALLACHER: Because it already
22 did. Correct. Back in 2009 and 2010 it
23 went from three public meetings, actually,
24 possibly four. One with the school board,
25 one with the planning commission and one

1 with borough council, and at that time there
2 was a public meeting held. By statute it
3 was required that the meeting be held and
4 that the resolution be adopted after the
5 public meeting. That was done. The LERTA
6 statute doesn't say you have to have a
7 separate public meeting specifically for
8 LERTA. It just says there has to be a
9 public meeting at which the area is
10 determined blighted at some point prior to
11 passage of the LERTA resolution.

12 ATTY. RINALDI: And you're saying
13 that the district can be done without
14 advertising the ordinance --

15 ATTY. GALLACHER: It's been done.

16 ATTY. RINALDI: The ordinance has
17 not been advertised.

18 ATTY. GALLACHER: Advertise what
19 ordinance, Bill?

20 ATTY. RINALDI: The LERTA ordinance.

21 ATTY. GALLACHER: What needs to be
22 advertised is a public hearing on the
23 determination of blight.

24 ATTY. RINALDI: LERTA ordinance has
25 to be public seven days in advance of a

1 meeting. Every ordinance of the borough.
2 I'm not --

3 MR. GALLACHER: This is a resolution
4 we're asking for, not an ordinance.

5 ATTY. RINALDI: It's an ordinance
6 now. As of 2015 or '16 the act changed.
7 I'll print you out a graph. Anything that's
8 not administerial can be a resolution.
9 Everything else involving money has to be an
10 ordinance.

11 ATTY. GALLACHER: Well, it
12 doesn't --

13 ATTY. RINALDI: I double-check these
14 all the time with the state legislature
15 association.

16 ATTY. GALLACHER: Well, the LERTA
17 statute, Bill, says by ordinance or
18 resolution.

19 ATTY. RINALDI: And I totally agree
20 with you.

21 ATTY. GALLACHER: And we're asking
22 for a resolution here.

23 ATTY. RINALDI: The problem is read
24 the 144 of the borough code.

25 ATTY. GALLACHER: They didn't change

1 LERTA. LERTA still says resolution.

2 ATTY. RINALDI: Which amended the
3 borough code. It says "or resolution."
4 Whatever you require.

5 ATTY. GALLACHER: Ordinance or
6 resolution. A resolution is permitted to do
7 this.

8 ATTY. RINALDI: I'm going to try to
9 give them the best advice I can.

10 ATTY. GALLACHER: I understand that,
11 and you know our position. We'd like the
12 vote tonight. It can be by resolution. The
13 statute specifically says ordinance or
14 resolution. It has been advertised, there
15 had been multiple public hearings held on
16 the determination of the blighted area and
17 it's already been blighted. A determination
18 has been reached. It doesn't need to be
19 done again.

20 MR. FEBBO: What we need here is an
21 understanding between our solicitor and you.
22 We want to get this resolved. We don't want
23 a lawsuit from you, and at the same time we
24 want to be sure that we're protected here at
25 the borough.

1 That being said, as legal counsel
2 you both -- we need an answer. We need an
3 answer.

4 ATTY. GALLACHER: I've been talking
5 to Bill since last week. We have different
6 positions on this.

7 MR. FEBBO: The best resolution I
8 heard so far was from our president,
9 Mr. Rinaldi. Putting it in there --

10 MR. RUSSELL RINALDI: Making it
11 contingent upon --

12 ATTY. GALLACHER: That's what we're
13 asking. We're asking that the LERTA be
14 granted contingent upon the dissolution of
15 the TIF and that council dissolves the TIF
16 to the extent that they can.

17 MR. FEBBO: That being said,
18 contingency. Can you hold on with that as
19 we go through the process of getting of
20 getting the TIF eliminated and enacting the
21 LERTA?

22 ATTY. GALLACHER: Well, apparently
23 it's going to be dissolved or disavowed
24 tomorrow.

25 MR. FEBBO: For a time factor --

1 ATTY. RINALDI: We get the ad in
2 tomorrow's paper you can have a special
3 meeting next --

4 ATTY. GALLACHER: Again, our
5 position is there's no need to do that. We
6 don't want or need to go back to another
7 hearing.

8 MR. FEBBO: I understand your
9 position. We have to go by his position
10 also. So can we get together? Can you hold
11 off -- is it a week, Bill? Get our meetings
12 in and everything else.

13 ATTY. RINALDI: You can pick the
14 date.

15 MR. FEBBO: We as council will
16 expedite it to get it done.

17 MR. GALLACHER: We're here tonight,
18 Councilman Febbo, asking for the approval of
19 the LERTA. My client does not want to come
20 back and I don't think we would be coming
21 back if it's not approved tonight.

22 MR. NOTARI: Mr. Gallacher, that's
23 what the LERTA says. We do not have any
24 documentation that spells out a LERTA.

25 ATTY. GALLACHER: Again, I can share

1 all this with you. I have copies of any of
2 this.

3 MR. NOTARI: You're asking us to
4 pass something that we do not have, we have
5 not studied, we have not looked over.

6 ATTY. RINALDI: Don't you have to go
7 to the redevelopment authority?

8 ATTY. GALLACHER: There's no need
9 to, Bill. The statute is very clear --

10 ATTY. RINALDI: "Please be advised
11 that after discussing the matter of having
12 the redevelopment authority disavow the TIF
13 district in Old Forge as referenced in your
14 e-mail, Brenda Sacco, is in agreement with
15 the same and thus I am in the process of
16 getting a resolution to that effect to the
17 redevelopment authority to adopt the same,
18 because in accordance with the statute you
19 cannot have a LERTA on TIF district
20 property.

21 ATTY. GALLACHER: I agree 100
22 percent with that statement, but it needs to
23 be --

24 ATTY. RINALDI: Then as soon as we
25 get that, which could be tomorrow --

1 MR. HOOVER: We want to get rid of
2 one and then you have --

3 ATTY. GALLACHER: What you're asking
4 my client to do is to surrender the TIF he
5 has on the chance that maybe there would be
6 a LERTA given at some point in the future.

7 ATTY. RINALDI: He can't. He can't.
8 It runs with the land. He can sell the
9 property. He can't. The property owner
10 can't surrender his TIF. He just doesn't
11 make application for it.

12 ATTY. GALLACHER: You're asking us
13 to make application to dissolve a TIF, a tax
14 benefit that he has on the property right
15 now.

16 ATTY. RINALDI: No, we're asking the
17 Lackawanna Redevelopment Authority to
18 dissolve it because they created it.

19 ATTY. GALLACHER: We haven't asked
20 them to do that.

21 MR. FEBBO: Wait. Bill, we're
22 saying here on contingency, meaning that we
23 will give you the LERTA -- give back the
24 TIF, rather, and you get the LERTA.

25 ATTY. GALLACHER: Correct, one is

1 the rule of law that governs our
2 commonwealth of Pennsylvania, we are
3 following that to the book. We don't want
4 to have another hearing. We want -- we'll
5 give you back the TIF, right, with the
6 condition that we get the LERTA. If you
7 want to hold that, right, make the motion
8 tonight and we'll hold that in abeyance
9 until we get this resolved.

10 But in that motion it would have to
11 state that we're not going to do another
12 public hearing because it was already done
13 four times for this property. That's going
14 be to my position with that.

15 Mr. Notari, to answer your question,
16 when we were here last week we said the
17 LERTA will be exactly the same as Birchwood.

18 MR. NOTARI: I don't know what that
19 is.

20 MR. DUNBAR: Please, I have the
21 floor. You've been a councilman for how
22 many years?

23 MR. NOTARI: Seven.

24 MR. DUNBAR: A long time. Serve the
25 community, read a lot of documents. So you

1 mean to tell me since Birchwood's been
2 established, in six years you never looked
3 at the LERTA document?

4 MR. NOTARI: No, I have not. I did
5 not have that document, I've not looked at
6 that document, I don't know where to find
7 that a document.

8 MR. DUNBAR: It's right here at the
9 borough building. In addition to that my
10 attorney, Michael Gallacher, sent a new
11 proposed order to solicitor Rinaldi seven
12 days ago. So Bill's had that and the
13 borough manager's had that because she was
14 copied on every e-mail.

15 ATTY. RINALDI: I got it. It's on
16 the phone.

17 MR. DUNBAR: So we're all pretty
18 smart guys, so it would literally take four
19 minutes to read that. So it's the same
20 exact thing.

21 So I don't want to get sidetracked.
22 I want to move forward. Look, I have a time
23 frame. Right? I've got to meet that time
24 frame. I can't keep bobbing and weaving,
25 bobbing and weaving. I've got to get this

1 done. I have a lot to put together. Time
2 is of the most importance here. I've got to
3 get material, I've got to get water lines,
4 sanitary lines, building products. Right?
5 I've got to get a bank on board.

6 MR. RUSSELL RINALDI: Mr. Dunbar, I
7 think the reason for the next meeting will
8 be for us to vote on adopting the
9 resolution.

10 ATTY. RINALDI: All due respect, the
11 TIF district took eight, nine months. The
12 last LERTA took at least a year. It's not
13 like five days we can put this all together.

14 MR. DUNBAR: We're not asking you.
15 It's already put together, Bill. It was put
16 together years ago.

17 ATTY. RINALDI: It's not because
18 you're asking for one from the borough
19 alone, so there's nobody to manage it. The
20 county's not going to manage this. There's
21 got to be legislation put forward.

22 ATTY. GALLACHER: Manage what? It's
23 a LERTA. It basically says what the
24 reduction in the taxes is and for how long.

25 MR. DUNBAR: The county assessor

1 manages it, too, when he does the
2 assessments.

3 ATTY. RINALDI: The other LERTA went
4 through the county, so the county adopted
5 the program and asked everybody --

6 MR. DUNBAR: No, the other LERTA
7 went through the municipality first, Bill,
8 then the school district, then the county.
9 That's the order we went in. That was the
10 sequence, just for the record.

11 ATTY. RINALDI: George Kelly from
12 the redevelopment authority. I worked with
13 him on it. They presented the package to
14 council at several different meetings and
15 presented it to planning. Lackawanna County
16 manages that LERTA. When you went for your
17 exemption you filed it at the county level.
18 Correct?

19 ATTY. GALLACHER: No, we didn't.

20 ATTY. RINALDI: You had to.

21 MR. GALLACHER: No.

22 ATTY. RINALDI: You filed an
23 exemption form here? We don't have them.
24 That's my point. You filed at the county
25 level for the assessment.

1 MR. GALLACHER: But there's no
2 management of it. Once the LERTA is granted
3 the tax is reduced.

4 ATTY. RINALDI: You better read the
5 act because there is a management of it, and
6 the county was fulfilling that job. We're
7 going to fill that job for you as soon as we
8 enact it. So you make application here
9 because my understanding is you're only
10 asking us --

11 MR. DUNBAR: So what I think the
12 sticking point is here, having another
13 public hearing. I think that's the sticking
14 point right now. If we can work this out,
15 hammer this out tonight I think we can move
16 forward. I understand if you want to, you
17 know, make a motion contingent upon the TIF
18 being dissolved and the LERTA being granted.
19 But I wouldn't want to go through the
20 process again.

21 As attorney Gallacher stated, we
22 have records, we have signatures, we have
23 documentation that it's been done four times
24 already, public hearings have been made.

25 MR. HOOVER: Documentation to the

1 public was done four times?

2 MR. DUNBAR: Yes.

3 ATTY. RINALDI: In connection with
4 the TIF.

5 MR. DUNBAR: Jimmy, the land was
6 deemed blighted. So once the land is deem
7 blighted it's always blighted until
8 improvements are made. It doesn't matter if
9 it's for a TIF or if it's for LERTA or if
10 it's for KOZ, which they offered developers
11 years ago. The reason for, obviously, the
12 LERTA is to entice developers like myself to
13 come in the community and generate economic
14 development.

15 ATTY. GALLACHER: The LERTA statute
16 and the TIF statute both require a hearing
17 on the issue of blight, not on the issue of
18 whether the TIF should be approved or
19 whether the LERTA should be approved.

20 ATTY. RINALDI: And they were all
21 advertised. They were advertised as public
22 pursuant to the TIF.

23 MR. DUNBAR: See, as a developer I'm
24 required to be in compliance with the
25 municipality SALDO and an array of

1 ordinances. So I have my legal team. We
2 only go by statute. Right? What does it
3 say. That's our guide with everything that
4 we do. So attorney Gallacher is telling you
5 that tonight, that we are not required to
6 have another hearing. You are required to
7 dissolve the TIF. You have the authority to
8 dissolve it. He has the statute which is
9 the law of the commonwealth of Pennsylvania.

10 MR. RUSSELL RINALDI: My question is
11 why did the county tell us that they have to
12 dissolve the TIF?

13 MR. DUNBAR: Maybe inexperience,
14 Russ. They're not used to it. They're
15 young.

16 ATTY. GALLACHER: If they want to do
17 it there's no harm in them issuing something
18 saying we dissolve it also, but we believe
19 that the borough is the one that really
20 needs to dissolve it.

21 ATTY. RINALDI: The creator of the
22 TIF district, which is Lackawanna County,
23 can only dissolve it. That it's only after
24 they create it they seek approval from the
25 municipality, which they did.

1 ATTY. GALLACHER: The statute says
2 the local governing municipality, and it
3 describes it as the taxing entity. The
4 redevelopment authority is not a taxing
5 entity.

6 MR. FEBBO: But the criteria for
7 blight is the same for TIF and for LERTA.

8 MR. DUNBAR: Correct, exactly the
9 same.

10 ATTY. GALLACHER: Absolutely the
11 same.

12 ATTY. RINALDI: It is different, but
13 there was a blight determination. But the
14 determination of a LERTA is a different
15 description. If you read under all the
16 criteria that they ask for input.

17 MR. FEBBO: But the public meeting
18 you're going to be asking for a blight -- a
19 TIF or --

20 ATTY. RINALDI: You want to make
21 this district a LERTA. It's already been
22 recommended to us by the planning
23 commission --

24 ATTY. GALLACHER: It doesn't say
25 that, Bill. It says specifically --

1 ATTY. RINALDI: I'll read it to you
2 again.

3 ATTY. GALLACHER: It says "the
4 taxing authority may, by ordinance or
5 resolution, exempt real property taxation
6 with assessed valuation."

7 ATTY. RINALDI: "At the public
8 hearing the local taxing authorities,
9 planning commission or redevelopment
10 authority and other public and private
11 agencies and individuals knowledgeable and
12 interested in the improvement of
13 deteriorated areas shall present their
14 recommendations concerning the location and
15 boundaries of deteriorated areas per the
16 guidance of the municipal bodies. Such
17 recommendation taking into account the
18 criteria set forth in the urban development
19 law, but also the Neighborhood Assistant Act
20 for the determination of unsanitary or
21 required buildings or property adjacent to
22 those areas which they think might meet the
23 criteria, which may be included within the
24 deteriorated area if the local taxing
25 authority determines that new construction

1 on such property" -- that's not under the
2 TIF Act.

3 ATTY. GALLACHER: Well, Bill, you
4 didn't --

5 ATTY. RINALDI: Every meeting that
6 we advertised for the TIF Act which people
7 were coming and saying we he want to do this
8 under a TIF Act to give -- to allow you to
9 get financing, which means you were still
10 going to pay the full boat in taxes. They
11 just go into a separate fund that services
12 your debt.

13 A LERTA, if you're coming and saying
14 to the borough hey, we don't want to pay
15 taxes, we want a discount on our
16 improvements for a period of ten years,
17 that's a different animal than saying you're
18 going to tax us. We're just going to use it
19 to borrow money.

20 ATTY. GALLACHER: You didn't read
21 the two sentences before that where it
22 doesn't matter what the purpose of it is.
23 There's no hearing, again, on whether or not
24 to grant the LERTA or whether or not to
25 grant the TIF.

1 ATTY. RINALDI: Prior to the
2 adoption of the ordinance or resolution.
3 Right now it's an ordinance because Act 144
4 changed. Prior to that, I'm saying, what
5 your tax exemptions are going to be, "at
6 least one public meeting shall be held by
7 the municipal body to determine deteriorated
8 area."

9 ATTY. GALLACHER: To determine the
10 deteriorated areas.

11 ATTY. RINALDI: Those tax exemptions
12 in that area.

13 ATTY. GALLACHER: It's to determine
14 the blight.

15 MR. DUNBAR: Can we have two minutes
16 to talk?

17 MR. RUSSELL RINALDI: Absolutely.

18 ATTY. RINALDI: I'm trying to get it
19 in in a week.

20 MR. RUSSELL RINALDI: Council is
21 going to take five minutes.

22 (A brief recess was taken at this
23 time.)

24 MR. RUSSELL RINALDI: Mr. Dunbar and
25 Mr. Gallacher still have the floor.

1 ATTY. GALLACHER: We've come up with
2 a proposal that we're hoping council will be
3 agreeable to, which is kind of somewhere in
4 between, I think, what we were all talking
5 about.

6 What we would ask is that council
7 make a motion tonight to approve the LERTA
8 as drafted, as submitted after a public
9 hearing one week after advertisement and
10 that it be advertised tomorrow so that we
11 have a short advertisement period, the seven
12 days, as it required. If council can come
13 back for another meeting next Wednesday or
14 Thursday, perhaps, to do something like
15 that, and it will be conditioned upon the
16 TIF being dissolved.

17 MR. FEBBO: And that's after the
18 public meeting?

19 ATTY. GALLACHER: It will be after a
20 public meeting, at a special meeting.

21 ATTY. RINALDI: I don't have a
22 problem with the LERTA on the terms they're
23 requesting, for the exemption they're
24 requesting, but if it goes into the
25 ordinance it's at council's purview. If

1 that's what they want, that schedule you
2 presented, I don't have a problem with that,
3 but the rest of the ordinance, there's
4 things that have to go in it. I'm not going
5 to use your -- we're going to limit it to --
6 I mean, I'll tell you right now, just to
7 double-check, we're going to do it for your
8 project. Not for the E-1 section of your
9 property, just for the project area. The
10 R-2 area.

11 ATTY. GALLACHER: Correct. The
12 other part was actually deeded away to the
13 conservation district, I believe.

14 ATTY. RINALDI: This will not be
15 contingent upon the other governing bodies.
16 That's my understanding. You want to stand
17 alone.

18 ATTY. GALLACHER: Correct.

19 ATTY. RINALDI: And it's for --

20 MR. HOOVER: It's 65 townhouses.

21 ATTY. RINALDI: Sixty-five
22 townhouses, and I went off your approved
23 plans.

24 MR. DUNBAR: So if I may, this is
25 very important. It's huge. As I stated

1 last week, I've got to be able to bob and
2 weave. Let's say I can't build 65
3 townhomes, I can't build 94 townhomes, I
4 have to build less because the market hit
5 the dump, or the conservation district
6 changes storm water calcs and it allows me
7 to put more structures up. Then I would
8 come back and go through the SALDO and be in
9 compliance with the ordinance and do all
10 resubmissions.

11 So I don't know if I want to be
12 locked in to X amount of units because that
13 could go both ways, and then the more units
14 we have, the more it's better for everybody.
15 The guy who's taking the big risk,
16 obviously, is me. So I don't know if I want
17 to lock into a specific -- we can lock in,
18 Bill, not to exceed.

19 ATTY. RINALDI: I can go with not to
20 exceed the number.

21 MR. DUNBAR: That's perfect. We can
22 do that. Not to exceed.

23 ATTY. RINALDI: I can't go beyond
24 that because that's your approved plan.
25 They can't write a blank check. I've got to

1 reference something. You want it for that
2 project. It's a preliminary plan. Correct?

3 MR. DUNBAR: Correct.

4 ATTY. RINALDI: So it has on that, I
5 counted them, I'll double-check, seven
6 apartment buildings --

7 MR. HOOVER: Sixty-five townhouses
8 and seven apartment buildings.

9 MR. DUNBAR: Right, with 12 units in
10 each.

11 ATTY. RINALDI: The other stuff is
12 how do you make the application because now
13 you're making it to us.

14 MR. DUNBAR: Again, we can put -- I
15 want to go with a greater number not to
16 exceed. Listen, I can't come back and say I
17 want to put more buildings. I'm dictated by
18 the conservation district and DEP called
19 storm water calculations. The engineer here
20 can attest to that. They're the ones who
21 tell me Mr. Dunbar, you can build 64 units
22 or you can build 30. I have to listen to
23 them, so they have the authority over me.

24 ATTY. RINALDI: I can tell you this,
25 the LERTA amendment for exemptions, if you

1 went to planning and got an enlarged
2 development approval you'd come back and say
3 can I amend my LERTA because now I'm putting
4 two more buildings there which you approved.
5 The LERTA can be amended. But for right
6 now --

7 MR. DUNBAR: I would be in agreement
8 with that if we have language to that.

9 ATTY. RINALDI: I have to work with
10 what I have right now, which is preliminary
11 plan for up to 65 total townhouse units up
12 to three bedrooms each, and then we have a
13 plan approved for up to seven apartment
14 buildings with 84 apartments, each
15 containing two bedroom -- one or two
16 bedrooms.

17 MR. DUNBAR: So in the proposal that
18 we sent to Bill and Marylynn we stated as
19 not to exceed would be 80 townhomes and 12
20 apartment complex, and I don't ever see it
21 hitting that. It may, it may not. I don't
22 know.

23 MR. HOOVER: That would be the max.

24 MR. DUNBAR: Yes.

25 ATTY. RINALDI: I want to stay with

1 the max on your approved plan. If you want
2 to change the plan, then we can amend this.

3 MR. DUNBAR: So what you're saying
4 is that if the conservation district, DEP
5 changes their storm water calculations that
6 I'd have to come back to this body and to
7 all the bodies and ask for an amendment on
8 my LERTA.

9 ATTY. RINALDI: Yes. In other
10 words, you're not going to --

11 MR. DUNBAR: I think the easiest way
12 out of this for everybody, for everybody, is
13 put a number in there not to exceed so I'm
14 not wasting your time and you're not wasting
15 my time, I'm not wasting the school
16 district's time, I'm not wasting the county.
17 If we can come to a number tonight not to
18 exceed that is the key. He's going by what
19 the plans are approved for.

20 ATTY. RINALDI: They can't give you
21 a blank check for a future council. They
22 can't say if and when you decide to do this
23 we'll do this. I litigated that case all
24 the way up to the Supreme Court and won.
25 They can only go with what's in front of

1 if we decide to put not to exceed a certain
2 number of townhouses, a certain number of
3 apartment buildings he can only construct
4 the 65 anyway.

5 MR. DUNBAR: Bingo.

6 MR. RUSSELL RINALDI: And if he
7 wants to do more he has to come back to us
8 anyway.

9 ATTY. RINALDI: I agree with you,
10 but your conditional use there also has a
11 not to exceed. That permit. I didn't bring
12 it with me because you were under it.

13 ATTY. GALLACHER: We couldn't exceed
14 that.

15 MR. DUNBAR: Russell, that's
16 brilliant.

17 MR. RUSSELL RINALDI: He has to come
18 back regardless, so he can go over anyway
19 without coming back to us to pass it.

20 ATTY. RINALDI: Right, but the only
21 project in front of you to decide on, which
22 you're going to have the hearings on, is 65
23 townhouses and seven apartment buildings.

24 MR. DUNBAR: You said hearings.
25 That's plural. Is it hearings or hearing?

1 ATTY. RINALDI: Hearing. And that's
2 the whole diatribe that it's going to go
3 through. Hey, we want to give a LERTA for
4 these improvements, not more of them. I
5 mean, you can vote on improvements you don't
6 know what's coming down the pike.

7 MR. FEBBO: You're doing the same
8 thing you did down at Birchwood.

9 MR. DUNBAR: Exactly. Not to
10 exceed. It's a no brainer. Not to exceed.
11 It's done.

12 ATTY. RINALDI: No, you don't want
13 to put your plans in now. You can't.

14 MR. DUNBAR: We have the current
15 plans.

16 ATTY. RINALDI: All you need is a
17 current plan.

18 MR. DUNBAR: Just as long as the
19 language doesn't hold me to that exact --
20 that's what kind of got us in the situation
21 with the school district. People think
22 we're sneaking in buildings, which is
23 impossible to do.

24 MR. RUSSELL RINALDI: You'd have to
25 come back before all the bodies to get