

**BOROUGH OF FOUNTAIN HILL
COUNCIL MEETING MINUTES**

June 20, 2018

6:30 P.M.

Council members present were: Mr. Rapp, Ms. Jordan, Mr. Blatt, Ms. Halleman, Mr. Atkinson, and Mr. Trabel. Also in attendance were Mayor Gifford, Anthony Branco (Executive Administrator), Cordula Voges (Finance Officer), Chief Bachert, a representative of the Bethlehem Press, and guests.

Council President Rapp called the meeting to order and asked for everyone to rise for the Pledge to the Flag.

SPECIAL DISCUSSION – Pension Plans Non-Uniform Employees - Defined Contribution vs. Cash Balance Plans

In its review of an employer-sponsored retirement benefit plan, the Finance Committee members have weighed the both the Borough's intent to assist employees in preparing for retirement and compensate them for their years in public service and its need to be consistent with the available resources. To avoid the Borough bearing most of the risk that the current Defined Benefit Plan carries, the Finance Committee members reviewed the characteristics of a Cash Balance and a Defined Contribution Plan.

Under a CASH BALANCE PLAN, the cash balance account is funded with mandatory employer contributions, mandatory employee contributions, optional employee contributions and any interest earned thereon. The interest credited to an employee's cash balance account is generally less volatile than the interest earned in Defined Contribution plans. When an employee retires, the cash balance account gets converted to a monthly annuity payable for the rest of that member's life.

In a DEFINED CONTRIBUTION PLAN, all employees have their own accounts set up within the plan to which contributions – from both employer and employees – are recorded. Typically, the employer selects a plan trustee – such as Nationwide or possibly PSAB. And in turn, the plan trustee offers investment options to the employees. The account balances at retirement depend on a combination of investment rate of return, contribution levels and the period of investment. The employer obligations are fulfilled annually as contributions are made; there will not be an unfunded liability.

After discussion, Council decided on a Cash Balance Plan including the criteria outlined in the table below:

Eligibility	Full-time Employees subject/not subject to a collective bargaining agreement scheduled to perform at least 40 hours of service/week and having completed the 6-month probationary period.
Matching	a) Employer contribution 5 % of compensation
	b) Employee Contribution 3.5% of Compensation
Vesting Schedule	100 % vested after 5 years of vesting service
Distribution Option	a) Life Annuity at retirement
	b) Lump-sum withdrawal subject to Plan & IRS provisions
	c) Periodical annuity withdrawal (not life)

	Motion	2nd	Yes	No	Abstain	Absent
Philip Trabel	x		x			
Leo Atkinson			x			
Hellen Halleman			x			
Annamarie Jordan		x	x			
Norman Blatt			x			
Doug Trotter						x
Larry Rapp			x			
Mayor Gifford						

PRESENTATION(S)

Mr. Branco reported that Mr. Smaley from Republic Services, the contractor providing the recyclable collection in the Borough, asked to raise remuneration from currently \$67.54/ton by \$1.47/month per resident contrary to the recently renewed contractual agreement. Mr. Branco informed Council that he had denied the request and Council confirmed his decision.

PRIVILEGE OF THE FLOOR – Discussion on Agenda Items - none -

ORDINANCES

Second Reading

ORDINANCE NO. 842

AN ORDINANCE OF FOUNTAIN HILL BOROUGH, LEHIGH COUNTY, COMMONWEALTH OF PENNSYLVANIA, ELECTING TO AMEND ITS MUNICIPAL PENSION PLAN ADMINISTERED BY THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM PURSUANT TO ARTICLE IV OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW; AGREEING TO BE BOUND BY ALL PROVISIONS OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW AS AMENDED AND AS APPLICABLE TO MEMBER MUNICIPALITIES. IT IS HEREBY ORDAINED BY FOUNTAIN HILL BOROUGH, LEHIGH COUNTY, AS FOLLOWS:

SECTION I. Fountain Hill Borough (the Borough), having established a pension plan administered by the Pennsylvania Municipal Retirement System (the System), hereby elects to amend its Municipal Pension Plan administered by the System in accordance with Article IV of the Pennsylvania Municipal Retirement Law, 53 P.S. §881.101 et seq. (Retirement Law), and does hereby agree to be bound by all the requirements and provisions of the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act, 53 P.S. §895.101 et seq., and to assume all obligations, financial and otherwise, placed upon member municipalities.

SECTION II. As part of this Ordinance, Borough agrees that the System shall administer and provide the benefits set forth in the amended Municipal Pension Plan Contract entered into between the Pennsylvania Municipal Retirement Board and Borough effective June 1, 2018 (the Contract).

SECTION III. The Borough acknowledges that by passage and adoption of this Ordinance, the Borough officially accepts the Contract and the financial obligations resulting from the administration of the Contract.

SECTION IV. Payment for any obligation established by the adoption of this Ordinance and the Contract shall be made by the Borough in accordance with the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act. The Borough hereby assumes all liability for any unfundedness created due to the benefit structure set forth in the Contract.

SECTION V. The Borough intends this Ordinance to be the complete authorization of the Contract and it shall become effective and specifically repeal any ordinance inconsistent with this Ordinance either immediately or on June 1, 2018, which is the effective date of the Contract, whichever is later.

SECTION VI. A duly certified copy of this Ordinance and an executed Contract shall be filed with the System.

DULY ENACTED AND ORDAINED this 20th day of June, 2018, by the Council of the Borough of Fountain Hill, Lehigh County, Pennsylvania.

	Motion	2nd	Yes	No	Abstain	Absent
Philip Trabel		x	x			
Leo Atkinson			x			
Hellen Halleman			x			
Annamarie Jordan	x		x			
Norman Blatt			x			
Doug Trotter						x
Larry Rapp			x			
Mayor Gifford						

RESOLUTIONS – none -

MOTIONS

Request of Tom Redding for use of the Stanley Avenue Playground on August 4, 2018 from 9 AM to 7 PM for the Annual Stickball Classic (all Documents received) was granted.

	Motion	2nd	Yes	No	Abstain	Absent
Philip Trabel		x	x			
Leo Atkinson			x			
Hellen Halleman			x			
Annamarie Jordan			x			
Norman Blatt	x		x			
Doug Trotter						x
Larry Rapp			x			
Mayor Gifford						

OLD BUSINESS

Ms. Jordan commented everybody who had helped and participated in the Community Day on June 9, 2018.

DISCUSSION ITEMS

- Lechauweki Springs Park Phase 2 – Pond Dredging, Lining, & Gazebo Repairs

Mr. Branco asked Council to make a motion to reject the 2nd set of bids for the Phase 2. The scope of Phase 2 will be changed and announced for re-bidding.

	Motion	2nd	Yes	No	Abstain	Absent
Philip Trabel		x	x			
Leo Atkinson			x			
Hellen Halleman			x			
Annamarie Jordan	x		x			
Norman Blatt			x			
Doug Trotter						x
Larry Rapp			x			
Mayor Gifford						

COUNCIL ACTION

Mayor Gifford asked Council to accept Mr. Jose Vazquez to be promoted from part-time to full-time employment as a Police Officer following the Police Chief’s recommendation.

	Motion	2nd	Yes	No	Abstain	Absent
Philip Trabel		x	x			
Leo Atkinson			x			
Hellen Halleman			x			
Annamarie Jordan	x		x			
Norman Blatt			x			
Doug Trotter						x
Larry Rapp			x			
Mayor Gifford						

Mayor Gifford performed Mr. Vazquez’s swearing-in ceremony.

PRIVILEGE OF THE FLOOR – Discussion on Non - Agenda Items - none -

EXECUTIVE SESSION – as needed

ADJOURNMENT

Mr. Atkinson made the motion to adjourn at 7:30 PM. Mr. Trabel seconded the motion and it was approved unanimously.

Respectfully Submitted,

Cordula Voges, Finance

**BOROUGH OF FOUNTAIN HILL
LEHIGH COUNTY, PENNSYLVANIA**

By: _____
Lawrence Rapp - President of Council

ATTEST:

By: _____
Anthony Branco, Executive Administrator

Next Ordinance – 843
Next Resolution – 2018-30