

**EPHRATA BOROUGH COUNCIL  
WORK SESSION MINUTES  
MAY 7, 2018**

The Ephrata Borough Council Work Session was called to order by President Susan Rowe on May 7, 2018, at 7:00 p.m., in the Council Chambers of the Borough Office, 124 South State Street.

The meeting began with a moment of silence which was followed by the Pledge of Allegiance.

In attendance in addition to the President were Vice President Thomas Reinhold, President Pro Tem Melvin Weiler, Council Members Timothy Barr, Ricky Ressler, Victor Richard, Greg Zimmerman, Linda Martin and Mayor Ralph Mowen.

Also in attendance were Borough Manager D. Robert Thompson, Lieutenant Christopher McKim and Borough Solicitor James R. McManus, III, Esq.

Visitors included:

- Kory Musser, 340 Washington Avenue, Ephrata
- Marylouise Sholly, Ephrata Review

**Opportunity for Citizens to be Heard**

There were no comments or remarks from attendees.

**Discussion of Committee Actions**

Highway Committee

Mr. Barr advised the Committee reviewed the results of Bid #18-6 Old Mill Road Improvements and will recommend that Borough Council award the bid to apparent low bidder: New Enterprise Stone & Lime Co., Inc. from Ephrata, PA in the total bid amount of \$190,915.79 as part of the Consent Agenda at their May 14, 2018 meeting.

Mr. Barr advised the Committee reviewed the requests from the Ephrata Farmers Day Association, Inc. per their letter dated March 26, 2018 to conduct activities associated with the 100<sup>th</sup> Ephrata Fair from September 23<sup>rd</sup> through September 29<sup>th</sup>, 2018. The Committee will recommend that Borough Council conditionally approve the requests subject to Borough receipt of a PennDOT issued Special Events Permit with the Ephrata Farmers Day Association, Inc. as Applicant as part of the Consent Agenda at their May 14, 2018 meeting.

Mr. Richard advised that Bid #18-6 Old Mill Road Improvements is way under the budgeted amount; however, there could be additional costs due to possible fluctuations of the cost of asphalt as well as what the condition of the subsurface is.

Mrs. Rowe advised that two Committees met this month for discussion items only: Municipal Enterprise Committee and the Special Projects Committee.

Mr. Richard advised the Municipal Enterprise Committee felt it appropriate to give a narrative on our electric division at this time. Mr. Richard advised he finds it disturbing when he hears negative comments regarding our utilities and stated that normally “we let these comments slide.” However, Mr. Richard stated he feels it would be a good time to go on record with some talking points and/or some realities of what is going on with our Electric Division.

Mr. Richard advised three key points of value are: reliability, cost competitiveness and transparency. Mr. Richard stated he would like to take a few minutes and speak about reliability. Mr. Richard advised the Borough of Ephrata has been recognized by the American Public Power Association (APPA) as a reliable public power provider (RP3), an award recipient at the platinum level. The RP3 designation recognizes public power utilities that demonstrate proficiency and for disciplines for reliability, safety, workforce development and sound improvement. Criteria includes sound business practices and utility-wide commitment to safe and reliable electricity. Mr. Richard stated out of more than 2,000 APPA members providing electricity to over 49 million people, only 167 public power providers are recognized at our level of reliability or higher ... this puts Ephrata Borough in the top 8% of all public power providers in the nation. In Pennsylvania, there are only three RP3 award winners including Ephrata (Platinum Level), Chambersburg (Platinum Level) and Lansdale (Gold Level).

Mr. Richard advised this is the fourth time that the Borough has been recognized for the RP3 designation and that the recognition has been in effect every year since 2011 in the Borough of Ephrata. Mr. Richard stated reliability is what separates us smaller public power providers from the larger investor power utilities such as PPL. Mr. Richard further advised that back in March a major windstorm hit the northeast which resulted in over two million people losing power. Mr. Richard further stated all surrounding investor-owned utilities experienced thousands of outages, some of which lasted for day. Mr. Richard advised nobody in Ephrata Borough lost power due to that storm – not for even one second. Mr. Richard advised that level of reliability is a testimony to the dedicated lineman who maintain our system to prevent outages and respond quickly if trouble does occur.

Mr. Richard advised he would like to request Mr. Reinhold discuss the second part which is the cost competitiveness. Mr. Reinhold advised first and foremost to extend credit to Mr. Tom Natarian for capturing all of the data and keeping it up to date. Mr. Reinhold stated the bottom line is if a residential customer would be with PPL, they are looking at \$134.64 a month compared to the Borough where that customer would be paying \$127.00 which is a 6% decrease. Mr. Reinhold further advised that “every penny counts” in today’s economy.

Mr. Reinhold advised that Mr. Natarian is taking information from 115 different companies – above and beyond what we offer here as the Borough. Mr. Reinhold advised all of those companies offer a fixed rate for six months or more. Mr. Reinhold stated some have advertised rates as low as .374 cents per kilowatt hour; whereas, looking at the Borough’s, the first 300 kilowatt hours are .390, after which the customer is down to approximately .24 cents. Mr. Reinhold stated the point being that 111 of those 115 companies (96.5%) have higher rates than what we offer. Mr. Reinhold advised only four companies offered lower rates. Mr. Reinhold advised that a customer could potentially find something lower, but that customer needs to be pretty smart to figure out which ones have certain deals, when those fixed rates become variable rates, as well as cancellations fees (95 of those 115 companies have cancellation fees ranging from \$10/month to as much as a flat fee of \$225).

Mr. Reinhold advised he takes comfort in the fact that we look as being as competitive as what is out there in the private market while offering a reliable service. Mr. Reinhold further stated the point is to offer the best service we can offer for the people who reside in Ephrata Borough.

Mrs. Martin advised she will discuss the talking point of transparency. Mrs. Martin further stated as everyone knows, Borough Council are the decision makers for the Borough of Ephrata and also for the Electric Division; and because of that, we have an open meeting policy where the public is invited to attend. Mrs. Martin advised that meeting dates and agendas for the meetings are posted on the Borough's website.

Mrs. Martin advised if a customer has a question or a concern about their electric bill to either call or visit Borough Hall to speak to a Customer Service Representative. Mrs. Martin further advised a benefit of having a public power here in Ephrata is that the information is much more readily available.

Mrs. Martin advised she would like to discuss House Bill 1405. Mrs. Martin advised the Bill prohibits the electric funds from being transferred into the general fund. Mrs. Martin stated in 2017, approximately \$1.5 million was transferred into the general fund in accordance with the Financial Management Policies that are adopted by Council. Mrs. Martin advised that Budget meetings are also open to the public and encouraged attendance.

Mrs. Martin advised she would like to talk about some of the benefits that we have in Ephrata Borough:

- Real estate taxes in Ephrata Borough are the lowest of any borough in Lancaster County. If we would take the same services that we have now and if we were not allowed to have the Electric Division being able to transfer into our General Fund for operating costs, the increase in our real estate taxes for 2017 would have to go from 2.28 mils to 6.68 mils which is the equivalent of about a 193% increase. What that means is the average cost increase of the taxpayer would be approximately \$696.00 per year.
- Electric rates that are set are based on a Cost of Service studies that have been conducted (data also available on our website). Each rate class and subclass is designed to cover the cost so no rate class subsidizes another – everybody pays their fair share.
- In 1904, Borough Council made the decision to invest in the electric system and the benefits that we see is we have a beautiful Borough Hall; the downtown area has a beautiful infrastructure; the police department is second to none; having the Rail Trail and Grater Park within the Borough, as well as many more benefits.

Mr. Richard thanked his committee members for their talking points as well as stating that the Electric Division does not always get thanked for their good work they do in the town. Mr. Richard expressed Borough Council wants to remind the people of Ephrata of the great asset they have in the Electric Division ... good value, good service.

Mrs. Rowe advised the Special Projects Committee also met and asked Mr. Zimmerman if he had anything he would like to share with Council. Mr. Zimmerman advised the committee is continuing to work on the Special Events Ordinance and Mobile Food Ordinance which they will be presenting to Council in the near future.

Mrs. Rowe advised the following committees did not meet in April:

Budget & Finance Committee: Mr. Reinhold advised the check run is included in the packet as well as the ACH register; however, there are no action and/or discussion items that were pressing for last month.

Development Activities Committee: Mr. Weiler advised there is nothing to report at this time.

Public Safety Committee: Mr. Ressler advised the Committee has not met the last couple of months because they only had informational topics (mainly statistics); however, they will be meeting this month.

Community Services Committee: Mrs. Martin advised she has nothing to report at this time.

Mrs. Rowe inquired as to how the pre-season sales are going for the Ephrata Community Pool; with no information being provided to date, Mrs. Rowe asked Mr. Thompson for that information to be provided at next week's meeting.

### **Opportunity for Citizens to be Heard**

Mr. Musser expressed his joy of being in attendance at the meeting.

### **Discussion/Announcements**

Mrs. Martin stated she wanted to advise Council that Kelly Withum was hired as the Executive Director for Ephrata Development Organization (EDO) with today marking her one week anniversary. Mrs. Martin advised she read a nice article on Lancaster Online about Ms. Withum and her vision for Ephrata. Mrs. Martin advised she is very excited to have Ms. Withum on board and having her do some really great things in Ephrata.

Mr. Richard advised the Ephrata Farmers Day Association is selling a 100<sup>th</sup> Anniversary book which will detail the history of the fair.

Mr. Reinhold advised he will be purchasing his pool pass later this week.

Mayor Mowen stated that Ephrata Cares had their showing of "Anonymous People" on April 21, 2018, and he is happy to report a packed theatre – not an empty seat, standing room only. Mayor Mowen advised there were decent discussions before and after the showing of the movie.

Mayor Mowen advised on May 19, 2018, is Ephrata Cares' Recovery Walk which will start at Grater Park, go to the Rail Trail, out to Main Street, make a loop and back. Mayor Mowen stated there will be games and activities for families. Mayor Mowen advised the event is to celebrate recovery.

Mr. Thompson advised the data referenced by Mrs. Martin relating to the tax rate in Ephrata was the 2017 tax rate of 2.28 mils and that the rate has since been lowered due to the assessment.

Mr. Thompson advised regarding the transparency component of the Municipal Enterprises Committee's discussion is that we're often accused of not providing electric choice for customers. Mr. Thompson further advised when power is purchased, it is done so through a

competitive process; so we are, in essence, providing the best pricing on various electric products even though they're not purchased individually by customers.

Mr. Thompson stated while the article in the Sunday paper, as well as The Ephrata Review, was very positive for our community, in each case, the organization was known as the "Economic Development Organization." Mr. Thompson advised the organization is the "Ephrata Development Organization (EDO)" and that is the name that needs to be used for future publications.

**Adjournment**

It was moved by Mr. Barr and seconded by Mr. Richard to adjourn. The meeting was adjourned.

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D. Robert Thompson, Secretary