Easton, Pennsylvania  May 5, 2016

A regular meeting of the Northampton County Council was held on the above date with the following present: John Cusick, President; Seth Vaughn, Vice President; Mathew M. Benol; Matthew H. Dietz (via telephone); Margaret L. Ferraro (via telephone); Glenn A. Geissinger; Kenneth M. Kraft; Hayden Phillips; Robert F. Werner; Linda M. Zembo, Clerk to Council, and Philip D. Lauer, Solicitor to Council.

**Prayer**

Mr. Cusick led County Council in a moment of silence.

**Pledge of Allegiance**

Mr. Cusick led County Council in the pledge of allegiance.

**Approval of the Minutes**

Mr. Werner made the following motion:

Be It Moved By the Northampton County Council that the minutes of the April 21, 2016 meeting shall be approved.

Mr. Kraft seconded the motion.

The minutes were approved by voice acclamation.

**Courtesy of the Floor**

As no one signed up for Courtesy of the Floor, Mr. Cusick asked if there were any questions or comments from the public.

There were no respondents.

**Controller’s Report**

Mr. Cusick stated Mr. Barron was not present tonight.
County Executive’s Report

Mr. John A. Brown, County Executive, advised Ms. Diane Donaher, former Director of the Department of Community and Economic Development, had resigned and he would report what the plans were for that department within the next few days.

Mr. Brown stated the financial statements for 2015 have been distributed and most of the numbers were in line with what they had reported before. He further stated the structural deficits have been eliminated over the last two years.

Mr. Brown advised the General Fund Balance was at $30 million in addition to money being put into the Capital Fund and the Emergency Reserve Fund County Council established last year. He further advised the health care changes that were implemented were beginning to show results and savings were beginning to materialize.

Mr. Brown stated nine of the eleven union contracts have been settled. He further stated they were predicting a $2.4 million operating loss.

Mr. Brown advised there have been no complaints about the changes made in Central Booking at the Jail. He further advised he wanted to thank Sheriff David Dalrymple and the Chiefs of Police for their efforts in obtaining a grant from the Gaming Authority for a regional crime center.

Mr. Brown stated the $24 million that was used to keep the County operating during the State budget impasse had been reimbursed.

Mr. Brown advised the bridge project being handled by the General Purpose Authority was sent out for bid, noting there were 70 companies represented at the pre-bid meeting. He further advised they extended the bid period from 30 to 60 days because a number of questions had come in and were responded to by the Procurement Division.

In answer to Mr. Werner’s question regarding the status of the lawsuit brought by the former Director of Human Resources, Mr. Brown replied it was pending and being managed by the attorneys through the Pennsylvania Counties Risk Pool.
In response to Mr. Benol's question as to whether there were any issues during the election, Mr. Brown stated there were some problems with the telephone service, but they were handled.

Mr. Luis Campos, Director of Administration, advised the turnout was the highest since 2008 and they were expecting a higher turnout for the General Election. He further advised the decision to have more staff made the process more efficient for the voters.

Mr. Cusick stated he noticed there were some issues in reporting to the State and some of the results that had to be done in the evening had to be entered manually.

Mr. Campos advised the initial upload for some reason did not take and those problems were communicated to the State. He further advised they did receive notification that the data went through, but they have not received a formal answer with regard to the problem.

Public Hearing on the Ordinance Amending Ordinance No. 440-2005
Entitled, "An Ordinance Imposing a Hotel Room Rental Tax and Providing for the Collection and Enforcement of the Payment of Said Tax"

Mr. Cusick stated the following ordinance was introduced by Mr. Dietz and himself at the meeting held on April 13, 2016:

AN ORDINANCE AMENDING ORDINANCE NO. 440-2005 ENTITLED "AN ORDINANCE IMPOSING A HOTEL ROOM RENTAL TAX AND PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF THE PAYMENT OF SAID TAX"

RESOLVED, By the Northampton County Council that ordinance no. 440-2005 shall be amended as indicated hereafter (sections marked with strikeout have been deleted and sections marked with bold underline have been added):

AN ORDINANCE IMPOSING A HOTEL ROOM RENTAL TAX AND PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF THE PAYMENT OF SAID TAX

WHEREAS, the General Assembly of the Commonwealth of Pennsylvania adopted an Amendment to the Act of August 9, 1955 (P.L. 323 No. 130), known as the County Code, which provided for
the imposition of a Hotel Room Rental Tax in certain Third-Class Counties and repealing the Hotel Room Rental Tax Act, said Amendment being approved by the Governor on July 5, 2005 as Act No. 12 of 2005, HB No. 2428, Session of 2005;

WHEREAS, pursuant to Section 8 of the aforesaid Amendment, the Act takes effect on or about September 3, 2005;

WHEREAS, the County of Northampton is a County as defined in Section 5 of the aforesaid Amendment to the Act;

WHEREAS, the County of Northampton desires to impose the tax authorized by the aforesaid Act and for distribution and use for the further development of tourism facilities and for community development initiatives as stated in the authorizing legislation.

WHEREAS, on January 7, 2016, Northampton County Council approved the Livable Landscapes Plan, which was written by the Lehigh Valley Planning Commission and highlights six significant goals that focus on (a) natural resource protection; (b) park & trail systems; (c) greenways & blueways; (d) farmland preservation; (e) historic, cultural and scenic preservation, and (f) the promotion, education and advancement of the program.

WHEREAS, the County of Northampton desires to provide for the collection and enforcement of the collection of said tax.

NOW THEREFORE, IT IS HEREBY ORDAINED AND ENACTED, BY THE COUNTY COUNCIL OF THE COUNTY OF NORTHAMPTON, PENNSYLVANIA, THAT:

Section I.

The above-referenced purposes clauses are hereby recognized and designated as part of this Ordinance as more fully set forth herein at length.

Section II. DEFINITIONS

The following words and phrases when used in this Ordinance shall have the meanings given to them in this section unless the context clearly indicates otherwise:

A. "Act" - The Act amending the Act of August 9, 1955 (P.L. 323 No. 130), known as the County Code, said amendment being Act No. 12 of July 5, 2005 House Bill
B. "County" - As used in this Ordinance it shall mean the County of Northampton.

C. "Facilities" - That which promotes the ease of any action, operation, transaction, course of conduct, or which makes easier the performance of the activities involved for the purpose of enhancing regional tourism. Facilities may specifically include the implementation of the Livable Landscapes Open Space Plan and the Northampton County 21st Century Open Space Initiative necessary for the implementation of open space, park, and agricultural preservation programs.

D. "Operator" - Any individual, partnership, nonprofit or profit-making association or corporation or other person or group of persons who maintain, operate, manage, own, have custody of or otherwise possess the right to rent or lease overnight accommodations in a building to the public for consideration.

E. All other terms defined in Section 5 of Act 12 of 2005 are hereby incorporated by reference as though more fully set forth herein at length and shall be construed and applied in accordance with the Act.

Section III. IMPOSITION OF TAX

There is hereby imposed throughout the County of Northampton a tax which shall be known as the Hotel Room Rental Tax on the consideration received from each operator of a hotel within the County of Northampton from each transaction of renting a room or rooms to accommodate temporary residents. The tax shall be collected by the operator from the patron of the room and paid over to the County as hereinafter provided.

Section IV. RATE

The tax imposed under the prior section shall be equal to 4.0% of the consideration received from each transaction of renting a room or rooms to accommodate temporary, not permanent, residents.
Section V. COLLECTION OF PAYMENT

A. The tax shall be collected by the operator from the patron and paid over to the County of Northampton. The County Executive is hereby authorized to establish rules and regulations governing the collection of the tax, which collection shall not occur more often than monthly and not less often than quarterly. Such rules and regulations may include procedures by which the County may investigate operators who are charged with the responsibility of collecting the tax. Such investigation shall include, but not be limited to, the failure or refusal to collect the tax or to produce any report or form in order to obtain facts and information on which to base an estimate of tax payable together with any interest, costs and attorney's fees; the ability of the County Department of Fiscal Affairs to assess the tax with interest, costs and attorney's fees based upon such estimate; giving notice of such assessment; providing for an administrative hearing thereon and collection action by the County Department of Fiscal Affairs in, and appeals by any operator to, the appropriate court of the 3rd Judicial District, Northampton County, Commonwealth of Pennsylvania. Such procedure and action by the County Department of Fiscal Affairs may be in addition to pursuing violations under Section 9 hereafter.

B. If any amount of tax due is not remitted by the due date, interest at the rate of 1.5% shall be added for each month or fraction thereof during which the Hotel Room Rental Tax shall remain unpaid or not properly remitted in accordance with this Ordinance or any rules and regulations promulgated pursuant hereto.

Section VI. DISTRIBUTION

Money received under the prior section and interest accrued shall be distributed by the County as follows:

A. 68.75% of the money collected shall be distributed to the regional tourist promotion agency, which served Northampton and Lehigh Counties and which is designated by Northampton County Council to be eligible for grants from the
Department of Community and Economic Development pursuant to the Act of April 28, 1961 (P.L. Ill, No. 50), known as the Tourist Promotion Law.

B. The County shall retain 18.75% of the money collection in Northampton County for the further development of tourism facilities and for community development initiatives, within the Northampton County that enhance regional tourism.

C. Northampton County shall retain 12.5% of the money collection in Northampton County for the further development of facilities and for marketing purposes within Northampton County and to enhance regional tourism.

Section VII. AUDIT REPORT

An audited report on the income and expenditures, (including revenue distributed contractually to other legal entities including the Lehigh Valley Economic Development Corporation), incurred by a tourist promotion agency receiving any revenues from the tax authorized under this section shall be submitted annually by the Tourist Promotion Agency to the Northampton County Council.

All entities receiving hotel tax revenue must maintain a separate accounting of hotel tax receipts and disbursements.

Section VIII. COUNTY CONTROLLER AUDIT

The Northampton County Controller is hereby authorized to audit the income and expenditures of any individual, corporation, non-profit corporation, agency, or other entity receiving any revenue from the tax authorized under this section and shall submit an audit report to the Northampton County Council. All entities receiving hotel tax revenue must maintain a separate accounting of hotel tax receipts and disbursements.

Section IX. VIOLATION

A. Each time the operator of a hotel within the County of Northampton fails to collect the tax from a patron or to timely pay it over to Northampton County shall be a
violation of this Ordinance. A violation shall constitute a misdemeanor of the third degree punishable by a maximum of one year imprisonment and/or a fine not exceeding Two Thousand Five Hundred ($2,500.00) Dollars.

B. All unremitted tax, fines, penalties and interest may be collected by suit, brought in the name of Northampton County, as provided under applicable state law.

C. All such violations and actions thereunder shall be in addition to any assessment and collection action taken pursuant to the within Ordinance and any rules and regulations promulgated thereunder.

Section X.

The County Executive or his designee shall execute any and all documents and take such action as is necessary to carry out this Ordinance.

Section XI.

Any Ordinance or part of any Ordinance conflicting with the provisions of this Ordinance is hereby repealed insofar as the same affects this Ordinance.

Section XII.

Should any part of this Ordinance, or any regulation promulgated pursuant hereto, be declared unconstitutional or otherwise void then the remaining parts of this Ordinance, and regulations promulgated pursuant hereto, shall remain and be in full force and effect.

Section XIII. EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days after the date of enactment.
Mr. Cusick advised in January, County Council adopted the Livable Landscapes Plan that encompassed the 21st Century Open Space Plan that had previously been included in this ordinance.

Public Hearing

Mr. Cusick asked if anyone from the public had any questions or comments.

Mr. Brown stated on page two under Facilities the last sentence read: "Facilities may specifically include the implementation of the Livable Landscapes Open Space Plan and the Northampton County 21st Century Open Space Initiative necessary for the implementation of open space, park, and agricultural preservation programs." and he would like it to read "...agricultural preservation and restoration programs" so these monies could be used for any open space, streams or park areas that required restoration to enable the County to take care of the properties it was preserving.

Mr. Cusick made a motion to add the words "and restoration" to the last sentence in this paragraph.

Mr. Dietz seconded the motion.

Mr. Cusick called for the vote on the motion.

The vote: Cusick, "yes"; Dietz, "yes"; Kraft, "no"; Phillips, "yes"; Vaughn, "yes"; Werner, "no"; Benol, "no"; Ferraro, "no" and Geissinger, "yes".

The motion was passed by a vote of 5-4.

Mr. Cusick asked if there were any questions or comments from the members of County Council on the following amended ordinance:

AN ORDINANCE AMENDING ORDINANCE NO. 440-2005 ENTITLED "AN ORDINANCE IMPOSING A HOTEL ROOM RENTAL TAX AND PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF THE PAYMENT OF SAID TAX"

RESOLVED, By the Northampton County Council that ordinance no. 440-2005 shall be amended as indicated hereafter (sections
marked with strikeout have been deleted and sections marked with bold underline have been added):

AN ORDINANCE IMPOSING A HOTEL ROOM RENTAL TAX AND PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF THE PAYMENT OF SAID TAX

WHEREAS, the General Assembly of the Commonwealth of Pennsylvania adopted an Amendment to the Act of August 9, 1955 (P.L. 323 No. 130), known as the County Code, which provided for the imposition of a Hotel Room Rental Tax in certain Third-Class Counties and repealing the Hotel Room Rental Tax Act, said Amendment being approved by the Governor on July 5, 2005 as Act No. 12 of 2005, HB No. 2428, Session of 2005;

WHEREAS, pursuant to Section 8 of the aforesaid Amendment, the Act takes effect on or about September 3, 2005;

WHEREAS, the County of Northampton is a County as defined in Section 5 of the aforesaid Amendment to the Act;

WHEREAS, the County of Northampton desires to impose the tax authorized by the aforesaid Act and for distribution and use for the further development of tourism facilities and for community development initiatives as stated in the authorizing legislation.

WHEREAS, on January 7, 2016, Northampton County Council approved the Livable Landscapes Plan, which was written by the Lehigh Valley Planning Commission and highlights six significant goals that focus on (a) natural resource protection; (b) park & trail systems; (c) greenways & blueways; (d) farmland preservation; (e) historic, cultural and scenic preservation, and (f) the promotion, education and advancement of the program.

WHEREAS, the County of Northampton desires to provide for the collection and enforcement of the collection of said tax.

NOW THEREFORE, IT IS HEREBY ORDAINED AND ENACTED, BY THE COUNTY COUNCIL OF THE COUNTY OF NORTHAMPTON, PENNSYLVANIA, THAT:

Section I.

The above-referenced purposes clauses are hereby recognized and designated as part of this Ordinance as more fully set forth herein at length.
Section II. DEFINITIONS

The following words and phrases when used in this Ordinance shall have the meanings given to them in this section unless the context clearly indicates otherwise:


B. "County" - As used in this Ordinance it shall mean the County of Northampton.

C. "Facilities" - That which promotes the ease of any action, operation, transaction, course of conduct, or which makes easier the performance of the activities involved for the purpose of enhancing regional tourism. Facilities may specifically include the implementation of the Livable Landscapes Open Space Plan and the Northampton County 21st Century Open Space Initiative necessary for the implementation of open space, park, and agricultural preservation and restoration programs.

D. "Operator" - Any individual, partnership, nonprofit or profit-making association or corporation or other person or group of persons who maintain, operate, manage, own, have custody of or otherwise possess the right to rent or lease overnight accommodations in a building to the public for consideration.

E. All other terms defined in Section 5 of Act 12 of 2005 are hereby incorporated by reference as though more fully set forth herein at length and shall be construed and applied in accordance with the Act.

Section III. IMPOSITION OF TAX

There is hereby imposed throughout the County of Northampton a tax which shall be known as the Hotel Room Rental Tax on the consideration received from each operator of a hotel within the County of Northampton from each transaction of renting a room or rooms to accommodate temporary residents. The
tax shall be collected by the operator from the patron of the room and paid over to the County as hereinafter provided.

Section IV. RATE

The tax imposed under the prior section shall be equal to 4.0% of the consideration received from each transaction of renting a room or rooms to accommodate temporary, not permanent, residents.

Section V. COLLECTION OF PAYMENT

A. The tax shall be collected by the operator from the patron and paid over to the County of Northampton. The County Executive is hereby authorized to establish rules and regulations governing the collection of the tax, which collection shall not occur more often than monthly and not less often than quarterly. Such rules and regulations may include procedures by which the County may investigate operators who are charged with the responsibility of collecting the tax. Such investigation shall include, but not be limited to, the failure or refusal to collect the tax or to produce any report or form in order to obtain facts and information on which to base an estimate of tax payable together with any interest, costs and attorney’s fees; the ability of the County Department of Fiscal Affairs to assess the tax with interest, costs and attorney’s fees based upon such estimate; giving notice of such assessment; providing for an administrative hearing thereon and collection action by the County Department of Fiscal Affairs in, and appeals by any operator to, the appropriate court of the 3rd Judicial District, Northampton County, Commonwealth of Pennsylvania. Such procedure and action by the County Department of Fiscal Affairs may be in addition to pursuing violations under Section 9 hereafter.

B. If any amount of tax due is not remitted by the due date, interest at the rate of 1.5% shall be added for each month or fraction thereof during which the Hotel Room Rental Tax shall remain unpaid or not properly remitted in accordance with this Ordinance or any rules and regulations promulgated pursuant hereto.
Section VI. DISTRIBUTION

Money received under the prior section and interest accrued shall be distributed by the County as follows:

A. 68.75% of the money collected shall be distributed to the regional tourist promotion agency, which served Northampton and Lehigh Counties and which is designated by Northampton County Council to be eligible for grants from the Department of Community and Economic Development pursuant to the Act of April 28, 1961 (P.L. Ill, No. 50), known as the Tourist Promotion Law.

B. The County shall retain 18.75% of the money collection in Northampton County for the further development of tourism facilities and for community development initiatives, within the Northampton County that enhance regional tourism.

C. Northampton County shall retain 12.5% of the money collection in Northampton County for the further development of facilities and for marketing purposes within Northampton County and to enhance regional tourism.

Section VII. AUDIT REPORT

An audited report on the income and expenditures, (including revenue distributed contractually to other legal entities including the Lehigh Valley Economic Development Corporation), incurred by a tourist promotion agency receiving any revenues from the tax authorized under this section shall be submitted annually by the Tourist Promotion Agency to the Northampton County Council.

All entities receiving hotel tax revenue must maintain a separate accounting of hotel tax receipts and disbursements.

Section VIII. COUNTY CONTROLLER AUDIT

The Northampton County Controller is hereby authorized to audit the income and expenditures of any individual, corporation, non-profit corporation, agency, or other entity receiving any revenue from the tax authorized under this section.
and shall submit an audit report to the Northampton County Council. All entities receiving hotel tax revenue must maintain a separate accounting of hotel tax receipts and disbursements.

Section IX. VIOLATION

A. Each time the operator of a hotel within the County of Northampton fails to collect the tax from a patron or to timely pay it over to Northampton County shall be a violation of this Ordinance. A violation shall constitute a misdemeanor of the third degree punishable by a maximum of one year imprisonment and/or a fine not exceeding Two Thousand Five Hundred ($2,500.00) Dollars.

B. All unremitted tax, fines, penalties and interest may be collected by suit, brought in the name of Northampton County, as provided under applicable state law.

C. All such violations and actions thereunder shall be in addition to any assessment and collection action taken pursuant to the within Ordinance and any rules and regulations promulgated thereunder.

Section X.

The County Executive or his designee shall execute any and all documents and take such action as is necessary to carry out this Ordinance.

Section XI.

Any Ordinance or part of any Ordinance conflicting with the provisions of this Ordinance is hereby repealed insofar as the same affects this Ordinance.

Section XII.

Should any part of this Ordinance, or any regulation promulgated pursuant hereto, be declared unconstitutional or otherwise void then the remaining parts of this Ordinance, and regulations promulgated pursuant hereto, shall remain and be in
full force and effect.

Section XIII. EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days after the date of enactment.

Mr. Kraft stated this was a way to grab hotel tax monies that were supposed to promote tourism and use it for open space projects. He further stated the ordinance only referred to facilities that would go along with implementing the open space plan so this was not appropriate and he would not vote for it.

Mr. Cusick advised when this ordinance was adopted in 2005 most of the argument focused on whether or not the County should continue to fund the Lehigh Valley Economic Development Corporation (LVEDC), but some of the discussion was the opportunity to fund the recently adopted 21st Century Open Space Plan.

Mr. Cusick stated earlier this year, County Council adopted the Livable Landscapes Plan, which was an update to the 21st Century Open Space Plan so his intention was to update the ordinance to allow funding for the Livable Landscapes Plan along with the 21st Century Open Space Plan, which was a part of the hotel tax that was adopted in 2005.

Mr. Cusick advised on page 12 of the Livable Landscapes Plan it listed environmental, community, economic and health and wellness as benefits and under economic benefits increase tourism was listed. He further advised on page 22 one of the listed items under Natural Connections - Pennsylvania’s State Comprehensive Outdoor Recreation Plan 2014-2019 that outlined five priorities to help foster outdoor recreation was tourism and economic development.

Mr. Cusick stated it was clear to him that the Livable Landscapes Plan provided for and was in line with the goals of the hotel tax and the way it was adopted in 2005.

Mr. Kraft advised his argument was the money could only be used for facilities and money had never been taken from the hotel tax and given to open space.
Mr. Cusick stated the Mariton Wildlife Sanctuary was subsidized through the hotel tax through the Natural Lands Trust so there was ecotourism that was generated and that the County had spent money on in the past. He further stated the other things that were included in the Livable Landscapes Plan were historic, cultural and scenic preservation and there have been numerous historical restoration types of projects that came before County Council for hotel tax money.

Mr. Kraft advised the enacting law from the State indicated where the money had to go and the County had given money to different things that may not have completely fit the plan because they had merit. He further advised he would not be voting for it, but he would be supportive if they found the money elsewhere.

In answer to Mr. Vaughn's question as to whether he would vote for it if it was a building, Mr. Kraft replied that was what the ordinance stated and open space projects improved quality of life which could bring businesses in, but they did not promote hotel stays and were not a driver for tourism.

Mr. Cusick stated in the Livable Landscapes Plan there was an example of two bicycle shops that benefitted from having tourism and the trail systems so there were economic benefits.

Mrs. Ferraro advised when the original hotel tax ordinance was adopted the parks portion was added just to make it more palpable to get it passed and now that little piece was being changed and extended. She further advised the main purpose of the ordinance was to fill hotel rooms.

Mr. Werner stated during the 15 years the hotel tax had been given out, applications were sought from agencies that promoted tourism and applications for other things, such as computer programs, were refused. He further stated the guidelines had a strict interpretation as to how that money was to be used by the State, but tourism had evolved. He added if the County could find money to support things that promoted tourism, it could find money to support things in the Livable Landscapes Plan.

Mr. Phillips advised the suggested amendment did not do anything significantly different to the ordinance and it was not contrary to State law, but he would not vote for it because he did not vote for the Livable Landscapes Plan and if he supported this, it would be giving his approval to that plan as well.
Mr. Dietz stated during the spring and summer there were approximately 20 soccer tournaments that involved 25 teams and a lot of them were travelling from outside the State and staying in hotels. He further stated approving the ordinance did not guarantee that any park project would get funding, but it would allow them to submit an application.

Mr. Benol advised he was in favor of the Livable Landscapes Plan, but he agreed with Messrs. Kraft and Werner that other funding could be found for it. He further advised a 1% increase in hotel tax was being proposed and if he were a hotel owner he would want to know what he would be getting out of the increase.

Mr. Benol stated the Livable Landscapes Plan was more for preservation and maintenance of the natural beauty and resources of the County and he did not know if that was the intent of the hotel tax. He further stated he was also concerned if a future County Council could take it a step further and look to maintain natural resources and things that would not generate people coming to stay in hotels.

Mr. Cusick made a motion to table this ordinance.

Mr. Kraft seconded the motion.

Mr. Cusick called for the vote on the motion.

The vote: Cusick, "yes"; Kraft, "yes"; Phillips, "yes"; Vaughn, "yes"; Werner, "yes"; Benol, "yes"; Dietz, "yes"; Ferraro, "no" and Geissinger, "yes".

The motion was passed by a vote of 8-1.

When Mr. Cusick asked Mr. Lauer if he could look into what the process would be if County Council was interested in raising the hotel tax to 5%, Mr. Kraft advised he believed Northampton and Lehigh Counties had to do it as a region.

Public Hearing on the Ordinance Providing for an Amendment to the Articles of Incorporation of the Lehigh-Northampton Airport Authority

Mr. Cusick stated the following ordinance was introduced by Messrs. Geissinger and Werner at the meeting held on April 21, 2016:
AN ORDINANCE PROVIDING FOR AN AMENDMENT TO THE ARTICLES OF INCORPORATION OF THE LEHIGH-NORTHAMPTON AIRPORT AUTHORITY

WHEREAS, the Lehigh-Northampton Airport Authority ("Authority") is a municipal authority organized under the Municipality Authorities Act of 1945, as amended; and

WHEREAS, pursuant to resolutions duly adopted by the Counties of Lehigh and Northampton (the "Counties"), the Authority's original Articles of Incorporation were filed with the Pennsylvania Department of State on June 12, 1968, such Articles of Incorporation being amended on December 27, 1973, September 20, 1985, October 4, 1994, February 16, 2001; June 1, 2010 and December 31, 2012; and

WHEREAS, the Articles of Amendment dated September 20, 1985, extended the term of existence of the Authority for a period of fifty (50) years until September 20, 2035; and

WHEREAS, pursuant to 53 Pa.C.S.A. §5605(a), an authority may amend its articles to, among other things, extend the term of existence for a period not to exceed fifty (50) years from the date of approval by the Secretary of the Commonwealth of Articles of Amendment; and

WHEREAS, the Board of Governors of the Authority have determined that, without limitation, extending the term of existence of the Authority will be beneficial to the long term financial sustainability and marketability of the Authority; and

WHEREAS, on March 29, 2016 the Board of Governors of the Authority adopted resolution No. 5048 (a copy of which is attached hereto and labeled as Exhibit "A"), which provides for an amendment to extend its term of existence for an additional thirty-five (35) years form the date of approval of the Articles of Amendment by the Secretary of the Commonwealth of Pennsylvania.

NOW, THEREFORE, BE IT HEREBY ORDAINED AND ENACTED by the Northampton County Council that:

(1) The Articles of Incorporation of the Authority are hereby amended to amend Paragraph 9 to read in full as follows:
"9. The term of existence of the Authority shall be increased for a period of thirty-five (35) years from the date of approval of the Articles of Amendment seeking such an extension by the Secretary of the Commonwealth of Pennsylvania."

(2) The Northampton County Council concurs with the recommendation of the Board of Governors of the Authority, as set forth in resolution No. 5048, to provide for an amendment to the Authority’s Articles of Incorporation to extend the term of existence for a period of thirty-five (35) years from the date of approval by the Secretary of the Commonwealth of Articles of Amendment.

(3) The appropriate personnel of the County of Northampton are hereby authorized and empowered to take all necessary further action and execute all necessary additional documents as they may deem appropriate to carry out the purpose of this ordinance.

(4) Any ordinance or parts of any ordinance conflicting with the provisions of this ordinance are hereby repealed insofar as the same affect this ordinance.

(5) Effective Date: This ordinance shall become effective thirty (30) days after the date of enactment.

Public Hearing

Mr. Cusick asked if there were any questions or comments from the public.

Mr. Michael Dowd, Chair of the Board of Governors, and Mr. Charles Everett, Executive Director, of the Authority, came to the podium.

Mrs. Ferraro disconnected and then was reconnected.

Mr. Dowd advised they met with representatives from both Counties where it was revealed they would like more transparency and accountability. He further advised they reduced the extension of the charter from 50 years to 35 years for a variety of reasons.

Mr. Dowd stated last Tuesday they broadcasted their very first Authority meeting, which was now available on their website. He further stated in response to the request for
transparency they have placed their budgets, contracts and minutes on line.

Mr. Dowd advised they expect to receive their audit, which they would also be putting on line, in May for approval in June and then subsequent to that, they would like to review it and discuss the finances of the Authority with County Council. He further advised they planned to hold some evening meetings with the first one scheduled this fall.

Mr. Everett stated they finished calendar year 2015 with a 10% increase in passenger traffic and 36% increase in cargo traffic for additional revenues of $1.5 million. He further stated last year they refinanced their outstanding long term debt of $47 million and that was going to yield a cost savings on an annual basis of approximately $1 million.

Mr. Everett advised they settled the Fuller Trust dispute and eliminated the deed restriction last month. He further advised they were looking to close shortly on the sale of 260 acres of land in Allen Township to Rockefeller Group Development Corporation (Rockefeller) and FedEx Ground for construction of their regional distribution facility that would ultimately create more than 3000 jobs.

Mr. Everett stated they agreed to sell an additional 230 acres of land in Allen and East Allen Townships to Rockefeller. He further stated they were planning to build a multimodal transportation center and were currently designing a 60,000 square foot hanger facility at Lehigh Valley International Airport (LVIA) hopefully to be opened by the end of the year.

Mr. Everett advised they had to focus on growing non-aeronomical revenues at the airport and seize development opportunities where appropriate because the airline business model had changed so their processes and systems need to evolve in order to remain competitive with other airports in the region as well as modes of travel.

Mr. Everett stated in 2016 and into the future they would be concentrating on air service, customer experience and facilities. He further stated they very much appreciated County Council's support and assistance in extending their terms of existence an additional 35 years.
Mr. Dowd advised the board and Authority had changed significantly and it was coming to an end of a difficult period and the issues that bounded them for a long time were gone. He further advised there had been some capital issues and now they would be able to deal with them.

In response to Mr. Werner's question as to how much money was the airport receiving from the land sales, Mr. Everett stated $9.8 million for the 260 acres and they were still completing appraisals on the second piece, but they anticipate receiving approximately $7 million.

In answer to Mr. Werner's question as to whether all that money would go into the airport facility, Mr. Everett replied it would.

In response to Mr. Phillips' statement that the current charter would expire in 2035 and they were asking for a 35-year charter from today so it was really a 16 year extension that would end in 2051, Mr. Dowd acknowledged he was correct.

Mr. Geissinger advised in his time as a member of the board he had seen a concerted effort by the leadership and staff to create a more transparent environment, responsive entity and fundamental business model for the passengers and cargo that flew out of there. He further advised under the leadership of Messrs. Dowd and Everett the airport was in good hands and on the right course and he fully supported extending the charter another 16 years to allow the airport to enter into the agreements that were necessary to build the multimodal and move its operations forward.

In answer to Mr. Dietz's question as to whether the airport was still considering leasing land for commercial development, Mr. Everett stated there was an additional 290 acres they called the flight path properties that were northeast of the airport and they would be looking at a lease arrangement with a company.

Mr. Dietz advised he liked the changes on the board and he hoped they would help the tenants on the field to grow their business.

Mr. Dowd stated their business was running the airport to service both commercial and general aviation. He further stated there was some land in Hanover Township that could be developed, but they had to determine what they wanted to do with it. He further stated it was their responsibility to operate in the
best way and to use the assets they had.

In response to Mr. Dietz's question as to whether they would sell that property, Mr. Dowd advised they were open to any kind of opportunity and whatever the best business model was that was what they were going to pursue.

In answer to Mr. Werner's question as to whether the cap being lifted on the number of landings and takeoffs at Newark International Airport (NIA) would affect LVIA, Mr. Everett stated LVIA was in a hyper-competitive region because they were located close to NIA and Philadelphia International Airport (PIA) who already had a lot of low cost carriers. He further stated LVIA only captured a certain percentage of the area because a lot of people who lived in the Lehigh Valley chose to fly out of NIA or PIA because of low costs or frequency of service.

Mr. Everett advised they wanted to maximize that number so they meet periodically with carriers. He further advised lifting the caps at NIA would not impact them to any greater extent than it already did, but unlike those airports LVIA had the capacity to grow and relieve a lot of traffic out of those facilities if they had a willing airline partner.

In response to Mr. Werner's question as to whether they were looking to increase their already lucrative cargo transportation and using the new hanger, Mr. Everett stated the hanger was for general aviation tenants. He further stated cargo transportation has grown by leaps and bounds and with their new partner, Air Transport Services Group, they just negotiated an agreement with Amazon.

Mr. Dowd advised this endeavor will create 60 new jobs so it was a real plus to the residents of the Lehigh Valley.

In answer to Mr. Werner's question as to whether cargo transportation was something new to the airport, Mr. Everett stated they have always had FedEx, but the new element was the Air Transport Services Group.

In response to Mr. Benol's question as to whether the increase in cargo transportation would impact passenger transportation, Mr. Everett replied due to their current capacity it would not and most of them flew at night.
In answer to Mr. Benol’s question as to whether selling off the acreage would hamper the airport’s ability to expand, Mr. Everett advised they had land set aside for aeronomical growth.

As there were no further questions or comments, Mr. Cusick called for the vote.


The ordinance was adopted by a vote of 9-0.

Consideration of the Intergovernmental Transfer (IGT) Agreement Resolution

Mr. Vaughn introduced the following resolution:

WHEREAS, the Northampton County Council has reviewed the Terms and Conditions for participation in the Intergovernmental Transfer Agreement between the Pennsylvania Department of Human Services, Office of Long Term Living and Northampton County effective May 13, 2016.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Northampton County Council hereby consents to participate in the Intergovernmental Transfer Agreement effective May 13, 2016 and validates the Northampton County hereby consents to funding the quarterly IGT Transfer of $7,826.280.

Mr. Werner stated he and Mr. Phillips attended the meetings regarding the IGT program and there were 19 Counties involved and it would bring substantial funding to Gracedale every year.

Mr. Phillips advised in 2006 there was an IGT program and it indicated the Counties would receive funding every year, but it did not happen again until 2016 so he did not want everyone to count on getting money every year.

Mr. Brown indicated the last paragraph of the resolution should read annual instead of quarterly.

Mr. Werner made a motion to amend the resolution to change quarterly to annual and put a comma where the period was in the amount.
Mr. Phillips seconded the motion.

Mr. Cusick called for the vote on the motion.

The vote: Werner, "yes"; Phillips, "yes"; Vaughn, "yes"; Benol, "yes"; Cusick, "yes"; Dietz, "yes"; Ferraro, "yes"; Geissinger, "yes" and Kraft, "yes".

The motion was passed by 9-0.

Mr. Cusick stated he wanted to commend Messrs. Werner and Phillips for attending the meetings in relation to this program. He further stated House Bill 1062 that would increase nursing home reimbursement rates had been stalled in the State Senate for three months so he would ask they do what they could during this budget process to move it ahead.

As there were no further questions or comments, Mr. Cusick called for the vote on the following amended resolution:

R. 52-2016 WHEREAS, the Northampton County Council has reviewed the Terms and Conditions for participation in the Intergovernmental Transfer Agreement between the Pennsylvania Department of Human Services, Office of Long Term Living and Northampton County effective May 13, 2016.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Northampton County Council hereby consents to participate in the Intergovernmental Transfer Agreement effective May 13, 2016 and validates the Northampton County hereby consents to funding the annual IGT Transfer of $7,826,280.

The vote: Vaughn, "yes"; Geissinger, "yes"; Kraft, "yes"; Phillips, "yes"; Werner, "yes"; Benol, "yes"; Cusick, "yes"; Dietz, "yes" and Ferraro, "yes".

The resolution was adopted by a vote of 9-0.

Economic Development Committee Report

Mr. Kraft advised the Economic Development Committee held a meeting earlier this evening and received a presentation from the City of Bethlehem for a block grant from the table games money, noting they matched what was given to them plus $25,000.
Mr. Kraft stated they were presented the guidelines for the Community Investment Partnership Program funds in an effort to distribute this money without going through the roadblocks they encountered last year.

Mr. Kraft advised Mr. Don Cunningham, LVEDC President and Chief Executive Officer, gave a presentation about things they were doing. He further advised he provided some very informative information regarding the types of manufacturing and businesses that were being drawn to the area.

**NTT Update**

Mr. Phillips stated he and Mr. Werner were involved in the issues between NTT and the County regarding their software. He further stated a meeting was set up with their Executive Vice President, which proved to be very productive, and some of the issues have been addressed.

Mr. Werner advised Mr. Michael Jones, who was the Executive Vice President, spent time reviewing all the issues and things were being corrected immediately after the meeting ended.

**Benefit for Seniors**

Mr. Werner stated he and Mr. Phillips, as well as Representatives Marcia Hahn and Steve Samuelson, attended a benefit for seniors at the United Wesley Church and there were more than 100 individuals. He further stated not enough recognition was given to volunteers.

**Lehigh-Northampton Airport Authority**

Mr. Geissinger wanted to reassure Mr. Werner that as long as he was a member of the board, there would always be discussions regarding Braden Airpark.

In response to Mr. Cusick's question as to whether there was an opening from Northampton County on that board, Mr. Brown replied they were going through applicants and potential nominees.
Council Solicitor's Report

Mr. Lauer advised he just provided an opinion with regard to an issue that was mentioned at the last meeting.

Mr. Lauer stated Mr. Kraft had asked him for an opinion regarding another matter and he responded to him. He further stated he would respond to County Council once he had completed the other part of it.

Adjournment

Mr. Benol made a motion to adjourn the meeting.

Mr. Geissinger seconded the motion.

The motion to adjourn passed unanimously by acclamation.

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Linda M. Zembo
Clerk to Council