

Mount Joy Borough Authority
Pre-Authority
November 17, 2015
Minutes

The Mount Joy Borough Authority held its Pre-Authority meeting on this date in Council Chambers of the Borough Offices Building. Present were Chairman Gainer, Mr. Derr and Mr. Golicher. Also present were Joe Ardini, Angie Fenicle, John Leaman, Jimmy Dennis from ARRO Consulting and Mike Davis from Barley Snyder. Mr. Weidman and Mr. Rebman were absent. Chairman Gainer called the meeting to order at 4:00 P.M.

Presentation by Asset Strategy.

Mr. Stacy Heistand was present to provide an explanation on updates that Markley Actuarial Services is recommending the Authority act upon. Mr. Heistand stated that Markley has done a great job in reviewing the plan thoroughly and has provided feedback on a variety of pension issues. Mr. Heistand noted that the Authority's current mortality is based on a Unisex Pension 1984 table and the recommendation is to update to a RP-2000 table and will go into effect with January 1, 2017 valuation. Mr. Heistand mentioned that changing to the updated mortality table; the Authority will maintain a surplus in the funding status. Mr. Heistand also stated that Markley is also recommending approval of the amendment to clarify the definitions of actuarial equivalent, average monthly salary and service for benefit purposes to be consistent with past benefit calculations. Mr. Heistand informed the Board of new accounting standards that will go into effect in 2016 called GASB 67-68, which is to enhance transparency of unfunded liabilities in financial statements. Mr. Leaman stated that Ms. Carol Roland from Trout, Ebersole & Groff will be working with Markley to meet the new guidelines.

Mr. Leaman discussed with the Board the proposed figures for Markley to provide annual individual pension statements. Markley quoted \$600 for the first year and \$300 for every other plan year. Mr. Leaman stated that the evaluations are completed every two years. These fees will incur during the non-evaluation years. Ms. Fenicle stated that the fees are paid from the pension plan expenses and will not reflect the operating budgets. Mr. Gainer asked if all the employees wish to receive these statements annually. Mr. Leaman stated that most of the employees do but cannot give a firm answer as these statements have always been given out yearly. Mr. Leaman was directed to collect a tally of employees who appreciate these statements on a yearly basis.

Public Input Period.

There was no one present from the public.

Authority Manager Report.

Mr. Leaman stated that a meeting is scheduled with Ms. Carol Roland from Trout, Ebersole & Groff on November 24th to work on updating the water and sewer rate forecasts.

Mr. Leaman informed the Board that the Authority received the private placement agreement from RBC Capital and the commitment letter for BT&T Bank for the 2010 water bond refunding. The documents were signed last week and will be returned.

Mr. Leaman updated the Board on the new water treatment plant: Mr. Leaman stated as ARRO Consulting and staff was discussing options for material for the raw water line that will run from well #3 to the new water plant and if it would be cost effective to install pvc pipe rather than ductile iron pipe. Mr. Leaman stated that ARRO has done some research on the pvc pipe and it was determined that pvc piping would be a better choice based on water chemistry as the water is slightly aggressive. Mr. Leaman stated that this will not be setting a precedent since this is a raw water main and not part of the distribution system. Mr. Leaman stated that the cost savings will be approximately \$140,000. The Authority Board agreed to proceed with the pvc piping.

Mr. Leaman stated that the Lancaster County Career and Technology Center (LCCTC) called a meeting with Mount Joy Township, Mount Joy Borough and the Authority to discuss the residential lots they are intending to create around the Mount Joy campus. It was recommended that LCCTC put together a concept plan showing what they

are proposing to develop along with proposed water, sewer and streets. Mr. Leaman stated that they typically build one house every 18 months.

Mr. Leaman informed the Board that the Farmview Properties Development has an interested developer named Strong Holdings, LLC., to purchase this property from Mr. Jonathan Charles. Mr. Leaman stated that this development stems back to 2009 and the plans have been reviewed, recorded and approved. Mr. Leaman informed the Board that this property also reflects the Act 46 that was approved by the state providing relief to the building industry impacted by economic downturn. Mr. Leaman stated that the plans that were approved and recorded, the Authority cannot force them to revise the plans to the current regulations that the Authority has put in place since these plans were approved and since the act was approved.

Mr. Leaman stated that the Authority received notification from our billing company that they have registered with the postal system to be able to utilize the tracking feature the post office offers on the water and sewer invoices.

Mr. Leaman stated that Mr. Scott Hershey and Authority staff discussed the possibility of upgrading the phone system in the administration office. The current phone system controller is obsolete and no longer is supported. Mr. Leaman stated that the upgrade would cost approximately \$18,000 with the Authority responsibility being 33%. Mr. Leaman mentioned that he asked Mr. Hershey if this company was on the co-stars program. It was determined it was which could result in better pricing.

Mr. Leaman stated that Ms. Nancy Hess was retained by Manheim Water and Sewer Authority to conduct a benefit survey. Ms. Hess sent out the survey to difference Authorities and whoever participates will receive the results. Authority staff has completed the survey and the information will be submitted to Ms. Hess tomorrow.

Mr. Leaman stated that the Authority received the annual notice for the unemployment solvency fee relief option. The Authority Board elected in previous years to not move forward with this service and the Authority Board elected again to decline.

Mr. Leaman informed the Board that he followed up with Melhron Trucking as requested at the last meeting. Mr. Leaman stated that he received an email Mr. Astin Melhorn stating that the Kuhl Corporation is projecting delivery on December 20th. Mr. Astin noted that this is a month and a half later than promised by this company. Mr. Leaman stated that the email also noted that the contractors are scheduled to be onsite when the unit is delivered and the contractors believe that the system can be installed and running by December 31st.

Mr. Leaman provided an update on Mr. Bailey's property at 29 New Haven Street: The Borough's attorney will be sending a ten day notice to get a default judgement. If Mr. Bailey does not respond, the Borough will file a precept to request a hearing.

Mr. Leaman informed the Board that Mr. Hershey will be interviewing for the Administrative Assistant position this week. Mr. Leaman stated that staff is having some difficulties trying to figure out the best fit this person's office location. Mr. Leaman noted that as mentioned in previous years, the office has run out of space for growth.

Mr. Leaman had a brief discussion regarding the December 1st meeting as there were conflicts in schedules. Due to the conflicts, it was agreed to cancel the meeting.

Operations Manager Report

Mr. Ardini provided an update on the Marietta Avenue Bridge project: The water main installation on the west side of the bridge has been completed. The waterline on the east side has been installed from Henry Street intersection to the sidewalk. Heisey Mechanical is working on the transition pieces on the east side and is hopeful on having it completed by the week of November 23rd.

Mr. Ardini provided an update on Pump Station 2 project: The electrician has made progress on the electrical wiring of the station. The current schedule of events are as follows; November 19th – testing of the hydraulic grinder, November 23rd – testing of the generator, November 25th – initial testing of the pump controls, December 1st – start-up of the station.

Mr. Ardini informed the Board that this quarters meter readings started this week and are expected to be completed by next Monday.

Mr. Ardini informed the Board that the new meter chamber for the effluent flow meter for the water plant was received. This is scheduled to be installed on Thursday.

Mr. Ardini stated that ARRO Consulting was able to prepare an initial drawing depicting the Right-of-Way needed for the new raw waterline from well #3. The drawing also depicts the existing sewer main within the Little Chiques Park. Authority staff will be meeting with Mr. Scott Hershey, Borough Manager, to discuss the design.

Mr. Ardini stated that he received confirmation for PA DEP on the nutrient credits generated by Brubaker Farms for the water year ending 2015. The Authority will be utilizing 8,432 lbs of nitrogen credits generated as an offset on our yearly limit.

Business Manager Report.

Mrs. Fenicle had nothing to report.

Consulting Engineer Report.

Mr. Jimmy Dennis provided updates on the following projects and developments:

Well 3 & New Water Treatment Plant – ARRO continues to move ahead with the design. An instrumentation and control meeting was held with Authority staff and Mr. Bruce Sherman on October 22nd. ARRO anticipates having the pre-selection packet ready in December.

Church Street Booster Station – ARRO is finalizing the “as-built” plans.

Miscellaneous Projects - ARRO is in the process of providing the Authority Staff the self-liquidating debt report for the water bond refinance. ARRO is working on tapping fee calculations for both water and sanitary sewer systems. A meeting is scheduled with Authority staff for November 20th to review system updates since the previous calculations in 2009.

Interstate Fleets – ARRO has reviewed the water and sanitary sewer improvements plan and they are ready to proceed to the construction phase.

Elm Tree Properties Phase 4A – Designer has submitted “as-built” plans and request for escrow reduction. ARRO recommends approval of reduction.

The Villa’s at Elm Tree Phase 5C – ARRO has reviewed and commented on the water and sanitary sewer improvements plan. The developer has some items to address prior to the start of construction.

LCCTC – ARRO attended a meeting with Authority staff for possible expansion of the LCCTC construction/house building program. The designer is expecting to submit a “draft sketch plan” for review and comment within the next few weeks.

Minutes of the Previous Meeting.

A **MOTION** was made by Mr. Golicher and a second by Mr. Derr to approve the October 20, 2015 meeting minutes; motion carried.

Unfinished Business.

There was no unfinished business to discuss.

New Business.

A **MOTION** was made by Mr. Derr and a second by Mr. Golicher to approve M2 Construction, LLC. payment request No. 7 for Pump Station 2 Project in the amount of \$80,415 as recommended by ARRO Consulting’s letter dated November 5, 2015; motion carried.

A **MOTION** was made by Mr. Golicher and a second by Mr. Derr to approve the reduction of letter of credit #D006856 for GD Investments, LLC. for The Meadows Development in the amount of \$43,548.25 retaining a balance of \$19,096.75 as recommended by ARRO Consulting’s letter dated October 29, 2015; motion carried.

A **MOTION** was made by Mr. Derr and a second by Mr. Golicher to approve the appraisal agreement with Industrial Appraisal Company to conduct an on-site inspection and appraisal of all property owned by Mount Joy Borough Authority as recommended by The HDH Group; motion carried.

A **MOTION** was made by Mr. Golicher and a second by Mr. Derr to approve Resolution No. 14-15 to clarify the definitions of Actuarial Equivalent, Average Monthly Salary and Service for benefit purposed for the Authority's Pension Plan as recommended by Markley Actuarial Services and Asset Strategy; motion carried.

Any Other Matter Proper to Come before the Authority.

There was no other matter proper to come before the Authority.

Authorization to Pay Bills.

A **MOTION** was made by Mr. Derr and a second by Mr. Golicher to approve the attached Requisition No. 14 as follows: \$28,329.71 from the Water Operating Fund and \$61,397.14 from the Sewer Operating Fund; motion carried.

A **MOTION** was made by Mr. Golicher and a second by Mr. Derr to approve the attached Requisition No. WBRI 15-20 in the amount of \$26,271.67 from the Water Bond Redemption Improvement Fund; motion carried.

A **MOTION** was made by Mr. Golicher and a second by Mr. Derr to approve the attached Requisition No. SBRI 15-10 in the amount of \$90,292.38 from the Sewer Bond Redemption Improvement Fund; motion carried.

Executive Session.

An executive session was held to discuss real estate matters.

A **MOTION** was made by Mr. Derr and a second by Mr. Golicher to reconvene the public session at 5:56 PM; motion carried.

Adjournment.

There being no further business, a **MOTION** was made by Mr. Derr and seconded by Mr. Golicher to adjourn. Motion carried and the meeting adjourned at 5:57 PM.

Respectfully submitted,

Robert R. Golicher
Assistant Secretary