

**Workshop Meeting Activity**

**February 10, 2014**

<b><u>TITLE</u></b>	<b><u>MOTION</u></b>	<b><u>SECOND</u></b>
Approve 1-20-14 Leg. Mtg. Min.	VP Doebler	Comm Schollaert
Approve 2-4-14 Spec. Mtg. Min.	VP Doebler	Pres Gartner
Appoint Len Kinter to Aleppo Twp. Auth. Board-Ending 2017	Comm Jones	VP Doebler
Appoint Thomas St. Clair to Aleppo Twp. Auth. Board-Ending 2015	Comm Jones	VP Doebler

**TOWNSHIP OF ALEPPO**  
**WORKSHOP MEETING MINUTES**  
**FEBRUARY 10, 2014**

**CALL TO ORDER:**

President Rodney Gartner called the meeting to order at 7 PM with the Pledge of Allegiance and roll call. Those in attendance were Vice-President Matthew Doebler, Commissioners Joanne Schollaert, George Jones (via phone), John Seifarth, Solicitor Christopher Lovato, Township Manager Gwen Patterson and Secretary Martha B. Rogers.

**MINUTES:**

Vice-President Doebler made a motion to approve the January 20, 2014 Legislative Meeting Minute. Commissioner Schollaert seconded. The motion passed unanimously.

Vice-President Doebler made a motion to approve the Special Meeting Minutes of 2-4-14. President Gartner seconded. The motion passed unanimously.

**JANNEY MONTGOMERY SCOTT PRESENTATION:**

Ms. Alisha Phillips of Janney Montgomery Scott distributed information to the Board. The sewer project was funded by finding people to purchase the bonds. They developed a financing table and the rating of the bond issue. They provide refinancing services and also how to decrease the debt service. Our bond counsel is Sean Garin who provides legal opinion. Our money was received at the end of 2011. Moody's and Standard & Poor's are used as rating agencies. Our rating was Baa2 at the time of the bond issue. In October of last year, Aleppo was upgraded to Baa1. Our next rating would be A3. We were upgraded because the construction risk was eliminated. Refinancing would be able to secure bond insurance. The Township borrowed eight million forty thousand dollars. Semi-annual interest payments are made to repay the bond along with annual principal payments. Our bond issue is callable on 12-1-16. It is a five-year call because our bonds were under ten million and were deemed bank qualified. All bond issues come with one-time pre-refunding which can be called before the call date. Bond interest has to be escrowed to the call date. There is currently a \$300,000.00 loss to refinance our bonds. Our last payment is December 1, 2041. Our interest rates ranged from 2 to 5-3/4%. Bonds must be spent on capital improvements.

The Township's bond rating probably won't improve for another year. There is a minimum benchmark for refinancing of two per cent of net present value. There are three

things to consider when refinancing. They are current interest rates, bond rating and shortening the length of the loan. We would need to escrow over one million dollars just to consider refinancing.

Vice-President Doeblner asked about the resolution that will name Janney as our bond underwriter. Ms. Phillips said at the end of last year, the FCC passed legislation that all municipal borrowers will have to have someone who monitors their debt. In order to do that, she must be retained by the Township. There is no fee. It has been tabled until June or July of 2014. This is called the Muni Advisor Rule.

Commissioner Jones asked if the Township received competitive proposals. Manager Patterson said the Township did get other proposals. The Board held interviews. PNC and Janney were interviewed. Janney is currently our investment banker or our bond underwriter.

Commissioner Seifarth asked if there is a trust indenture. Ms. Phillips said no because we are a Township. We pledge to raise taxes in order to repay the bonds. Ms. Phillips said Janney does not want to be a financial advisor because they cannot underwrite bonds. President Gartner thanked Ms. Phillips for her presentation.

#### **ROAD SALT CONTRACT PRICE:**

Manager Patterson said we put in an estimate every year of how much salt we will be using. We have exceeded the 140 per cent which means there is a new price of \$81.62 per ton. Salt is being brought in from New York. The previous price was \$57.52. When we lock into an estimated amount, it allows us to buy up to 125 per cent of our estimate. Public Works Supervisor Mark Kerr said that is approximately 750 tons. We estimated 600 tons this year. When we go over 125 per cent to 140 per cent, they charge a ten per cent increase. When we hit 140 per cent, they tell us how much they will charge and we have to agree to it if we want salt. We have no other choices for salt. We can store approximately 500 tons of salt in our building.

#### **RFPS STATUS:**

Vice-President Doeblner said he has a draft of the solicitor RFP which is approximately 78 per cent complete. Mr. Tony Lisanti reported he has a draft to be reviewed with Commissioner Seifarth and the Board. This will be put on the agenda for the March Workshop Meeting.

#### **APPOINTMENTS TO ALEPPO TOWNSHIP AUTHORITY:**

Manager Patterson said Mr. Lisanti was appointed to Michael Dugan's seat last month for a full term ending in 2018. There is a seat open term ending 2017 and a seat open term ending 2015.

Commissioner Jones made a motion to appoint Mr. Len Kinter to the Aleppo Township Authority Board term ending 2017. Vice-President Doebler seconded. A roll call vote was taken. The motion passed unanimously.

Commissioner Jones made a motion to appoint Mr. Thomas St. Clair to the Aleppo Township Authority Board term ending 2015. Vice-President Doebler seconded. A roll call vote was taken. The motion passed unanimously.

President Gartner asked that a letter be sent to Mr. Michael Dugan and Mr. Justin Davis thanking them for serving previously on the Authority Board and congratulated the new Authority Board Members.

**UNFINISHED BUSINESS:**

NA.

**NEW BUSINESS:**

Commissioner Jones would like the letter written by the Commissioners to the Authority distributed to the other Commissioners on the Township Board. The Township owns the waste water Authority asset and has full fiduciary responsibility to repay the debt and we now must take a more active role and increase communications between the Township and the Authority. It focuses on negotiating a rate structure and control of the remaining bond process, etc. Vice-President Doebler will e-mail the letter to the Board Members.

Vice-President Doebler would like to be able to record and circulate and live stream our meetings. The Communications Committee has been formed. The issue will be discussed further.

**CITIZEN PARTICIPATION:**

NA.

**ADJOURNMENT:**

At 8:25 PM, President Gartner declared the meeting was adjourned.

Respectfully submitted,

Martha B. Rogers  
Township Secretary