

Commissioners' Meeting Activity

February 16, 2015

<u>TITLE</u>	<u>MOTION</u>	<u>SECOND</u>
Approve Workshop Meeting Minutes of 2-9-15	Comm. Lisanti	Pres. Gartner
Approve the January bill list in the amount of \$83,335.84	Comm. Jones	VP Doeblner
Ratify the January pre-paid bills in the amount of \$9,799.25	Comm. Jones	VP Doeblner
Ratify the January payroll transfers in the amount of \$17,210.12	Comm. Jones	VP Doeblner
Approve to waive portion of the building permit fee for Authority Garage Expansion project that would be paid to the Township.	Comm. Jones	Comm. Lisanti
Adjournment	VP Doeblner	Pres. Gartner

TOWNSHIP OF ALEPPO
BOARD OF COMMISSIONERS
MEETING MINUTES

February 16, 2015

CALL TO ORDER:

President Rodney W. 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, Commissioner George Jones, Commissioner Anthony Lisanti, Solicitor Harlan S. Stone, Manager Gwen Patterson and Secretary Kimberly A. Koskey. Commissioner Joanne Schollaert was not in attendance.

MINUTES:

Commissioner Lisanti made a motion to approve the Workshop Meeting Minutes of February 9, 2015. President Gartner seconded. The motion passed unanimously.

PRESENTATION OF BOND ISSUE REFINANCE OPTIONS BY TOM LYNCH OF LYNCH & LYNCH:

Tom Lynch introduced himself and explained that he is a bond attorney from Pittsburgh, and that Commissioner Jones had requested that he look at the 2011 Bond Issue. He reviewed the pros and cons of the financing done in 2011 and the structure of that financing, along with the legal relationship that the Township has with the Authority.

He explained that the debt service is level with a payment of \$570,000 per year for 30 years which is a standard procedure. He explained that the Township became involved and now has a sewer revenue fund, the Township pledges the sewer revenue fund on the bonds which is a standard structure. That allows the Township to do the 2011 bond issue, but also allows the Township to follow the same structure if there are future borrowing needs. He determined after reviewing the legal and security agreements is that the documents are correct and does fit what the Township needs to do. This does not restrict the Township from borrowing in the future if they needed to do so. He also explained that the bonds are approved by the Department of Community and Economic Development under the Local Government Unit Debt Act which says that they are valid and enforceable.

Tom Lynch also explained the pros and cons of a negotiated sale with one underwriter (Janney, Montgomery, Scott) a financing team (Dinsmore), and the paying agent (Wells Fargo). He expressed that Janney is very interested in representing Aleppo again in an advanced refunding and have sent Aleppo a non-binding engagement authorization letter. This letter has to be signed and returned by the Township in order for an underwriter to come in and give projections on the refunding. The underwriter is only going to serve as an underwriter not as a financial advisor. The underwriter buy and sell the bonds to make a profit. They want to broker the bonds but not hold the bonds.

Mr. Lynch said that overall the 2011 bond issue was done correctly. The Township can use Janney again or use PFM as the financial advisor. He explained that there are two expenses with the bond issue which are the fee that is paid to the underwriter and the interest rates.

He stated that there are two types of refunding: the advance, in which the bond can be issued any time presently or up until 90 days before the call date; and the current, where the bond issue is done just prior to the call date. He also stated that the advantage of using the advance is to lock in the rates immediately. The sole advantage of the current is that you preserve that one advance refunding, the disadvantage is that it is a delayed situation.

He believes that there will be a net savings in doing the refunding net of all issue costs. The financial analysis uses models, there are no guarantees of rates or savings until you go to market. He believes the savings would be about \$1,000,000 over the years.

Commissioner Lisanti does not like the hybrid structure. He believes the bond should be owned by the Authority or the Township separately. Commissioner Lisanti is afraid that this causes grief with the auditors. Mr. Lynch said that he can speak to the auditors to explain this issue.

Tom Lynch replied that the bond rating agencies do things differently; for example, the backing of the Township in this deal because the Authority is small. He recommends to use one underwriter where the Township negotiates with them or get an independent financial advisor like PFM which is the option he prefers.

Commissioner Jones asked what the relationship is between PLGIT and PFM. Mr. Lynch explained that PLGIT is the asset management group/mutual fund made for municipalities. Commissioner Jones asked if PFM shops for underwriters and Mr. Lynch said yes.

Commissioner Jones stated that he does not like the "intent to use" language stated in the Janney engagement letter. He wants to know if they can give Aleppo advice without signing the letter. Mr. Lynch explained that they can give advice but they could not look at specific equity contributions.

Commissioner Jones questioned if it was worth the Township's time to meet with PFM. Mr. Lynch believes it is worth the time to meet with PFM and have them do the presentations. Commissioner Jones stated that the Township will save money because the bond rating has gone up and that the interest rates are at an historic low. He stated that the payment will save enough per month to do the refunding.

Commissioner Jones asked Mr. Lynch if he can have another conversation with Mr. Lynch regarding this issue, Mr. Lynch replied absolutely. Commissioner Jones asked Manager Patterson to set up a meeting with PFM for next week. This will be scheduled for the next Workshop Meeting.

PUBLIC SAFETY REPORT:

Manager Patterson read the Public Safety Report from the Ohio Township Police Department to the Board and to the public. The report was accepted.

FIRE DEPARTMENT:

No report. Vice President Doeblner asked if there has been any further discussion from last months concerns regarding the Emergency Response Program. Manager Patterson stated that there were no further issues, that she and Chief Davis had a discussion with Valley Ambulance and there are no concerns regarding this issue.

EMERGENCY MANAGEMENT:

Manager Patterson reported that all of the Special Needs letters from Judy Haluka have been sent out and we have received some letters back. The report was accepted.

PUBLIC WORKS:

Tom Jarvie reported that there was not enough salt and that he had to order more salt. Manager Patterson explained that we are at the 2nd tier pricing per the contract. President Gartner questioned which roads are a priority. Tom Jarvie explained the order in which they salt for safety issues. Commissioner Jones stated that we have some funds to offset the expense. Manager Patterson explained that there is the county and the state funding, and also the liquid fuel funds from the State to buy the salt. Tom Jarvie also explained that the maintenance on the trucks has increased due to the constant use. The report was accepted.

COMMUNICATIONS:

No report.

PLANNING/ZONING:

No report.

TAX COLLECTOR:

Treasurer Charlotte Pierce gave her report to the Board and the public. She explained that the Realty Transfer Tax has an increase for January 2015 due to the sale of the building on Deer Run Road. The report was accepted.

TREASURER:

Charlotte Pierce reported to the Board and the public. Manager Patterson stated that Commissioner Lisanti requested a report on the debt service excess, she created a chart for 2014 and distributed the chart to the Commissioners. The report was accepted.

FINANCE:

Commissioner Jones made a motion to approve the January bill list in the amount of \$83,335.84. Vice-President Doeblner seconded. The motion passed unanimously.

Commissioner Jones made a motion to ratify the January pre-paid bills in the amount of \$9,799.25. Vice-President Doeblner seconded. The motion passed unanimously.

Commissioner Jones made a motion to ratify the January payroll transfers in the amount of \$17,210.12. Vice-President Doebler seconded. The motion passed unanimously.

ALEPPO TOWNSHIP AUTHORITY:

Commissioner Lisanti explained that the Authority has lost about 22% of its commercial customers in 2014 which has caused a loss of revenue.

Commissioner Lisanti stated that there were 2 major water leaks in January estimating about 100,000 gallons with the first leak, and 150,000 gallons with the 2nd leak. The low pressure gauge went off with both leaks which shows the gauge is working.

Commissioner Lisanti reported that there are problems with the pumps at the Deer Run station. The bearings had to be replaced costing about \$1,800.00.

Commissioner Lisanti explained that the geo-technical investigation of the landslide is completed and the report has been given to Bankson. They are prepared to start the design for the construction specifications for the replacement of the water line. There has been a request for a RAAC grant for a maximum of \$250,000 from the county to defray some of the costs for this project.

Commissioner Lisanti reported that the Authority has approved rescinding of the \$5,000.00 tap fee and has established and approved the new tap fee of \$700.00 plus the cost of supplies for connecting the sewer from the dwelling to the tap. This gives the Authority the capability that the lines are connected correctly not to cause problems in the future.

President Gartner asked where they are regarding Sewickley and the tap fee. Commissioner Lisanti explained that there was a letter sent from the Masonic Attorney to Sewickley indicating that Masonic is not liable for paying the tap fee. President Gartner asked what about any individuals being charged the tap fee. Manager Patterson explained that there have been no recent individuals charged at this time. Kevin Flannery sent a letter requesting a building permit report for 2014. Commissioner Lisanti stated that there are zero at this time. Manager Patterson explained that there has been one building permit request, but no tap fee request. Solicitor Stone stated that there is an annual report request for all building permits.

Commissioner Lisanti stated that the garage addition will be started in March. They have received the bids and are ready to submit a request for the building permit. He is requesting that the Township waive the portion of the building permit fee that is paid to Aleppo. Commissioner Jones made a motion to waive portion of the building permit fee for Authority Garage Expansion project that would be paid to the Township. Commissioner Lisanti seconded. The motion passed unanimously.

Commissioner Lisanti reported that Solicitor Stone presented a final copy of the contract with West View Water Authority and it will be approved at the next Authority meeting. This contract will be a 20 year term.

Commissioner Lisanti stated that Sewickley is asking for a water consumption report to compare to the sewage flows. Sewickley was asking for a monthly report, however, the Authority can only give a quarterly report. The last quarter of 2014 showed 7,400,000 gallons of water used

compared to 6,600,000 gallons of sewage flow. He prepared a letter that was given to Manager Patterson for Sewickley.

QVCOG:

Vice President Doebler reported that QVCOG did not approve the budget for 2015 at the January meeting. They also discussed that they may move the office to a new location. This will be voted on at the February meeting. QVCOG has reorganized, the president from last year did win again this year and immediately called for an executive session to discuss personnel.

Vice President Doebler asked if we are part of any pilot programs for LED lights. Manager Patterson explained that we only have 7 street lights that cost very little, it would not be cost effective to change to the LED lights. He also recommended that the Commissioners attend the Homeland Security presentation in March. The Commissioners agreed and asked for the information to attend. Vice President Doebler explained that the meeting is March 18, 2015 at the Bellevue Borough Municipal Building at 7pm. This report was accepted.

AMBULANCE AUTHORITY:

No report.

SOLICITOR:

Commissioner Lisanti stated that Kevin Flannery was supposed to write Aleppo a letter as to why they will not permit Aleppo's engineer to determine what the total flows are in Osborne. Commissioner Jones believes they are contractually obligated. This will be discussed in executive session.

Solicitor Stone has reports to give during executive session. President Gartner announced that there will be an executive session after audience participation.

Solicitor Stone reported that he has finished the review of the codification project and that he will work with Manager Patterson to send to the code company.

UNFINISHED BUSINESS:

President Gartner asked if there was any further discussion for the rental of the Township Building meeting room to community groups. He asked what the current practice was for anyone using the room. Manager Patterson said that there is not a current policy for renting the room. She explained that the only time the room has been used was for elections and Sewickley Manor Homes Association used to use the room for their meetings. There have not been any other community groups that have used the room recently. President Gartner questioned the concerns and

the security of the building. Manager Patterson stated that a key would have to be signed out, a policy would have to be set up to include the times, rules, fees, maintenance, and security issues. Commissioner Jones asked if a specific group could put their request in writing. Vice President Doebler believed this would be a good idea.

NEW BUSINESS:

President Gartner stated that he and his wife Lannie have been looking into the history of Aleppo Township in order to put information together for the residents. He also reported that he and Vice President Doebler attended a meeting in Sewickley for local community leaders. President Gartner and Vice President Doebler both thought it was a very informative meeting.

ACTION ITEMS:

A. Audit recommendations:

Manager Patterson explained that she handed out a packet about a month ago that included sample policies based on the audit recommendations. Vice President Doebler believes they are okay and Manager Patterson will get them together to have them adopted at a future meeting.

B. Financial Management:

Manager Patterson stated that both of these will be handled in the next couple of weeks.

Vice President Doebler asked for a review of the renaming of South McCoy. Manager Patterson explained that the response was negative, she did receive a suggestion to change the street signs, and this will be the first step to see if this clears up the safety issues.

CITIZEN PARTICIPATION:

Mrs. Lannie Gartner asked Vice President Doebler if he could request information for any history of Aleppo Township on the Aleppo Website.

At 8:40 PM the Board moved into executive session to discuss legal claims and pending litigation and returned to regular session at 9:00 PM.

ADJOURNMENT:

Vice President Doebler made a motion to adjourn the meeting. President Gartner seconded. The motion passed unanimously. The meeting was adjourned at 9:00 PM.

Respectfully submitted,

Kimberly A. Koskey
Township Secretary