

Workshop Meeting Activity

March 9, 2015

TITLE

MOTION

SECOND

Approve February 16, 2015 Legislative Meeting Minutes.

Comm. Lisanti

Comm. Jones

Adjournment

Vice Pres. Doebler

Comm. Lisanti

TOWNSHIP OF ALEPPO
WORKSHOP MEETING MINUTES

March 9, 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 Stone, and Manager Gwen Patterson. Commissioner Joanne Schollaert was not in attendance.

MINUTES:

Commissioner Lisanti made a motion to approve the February 16, 2015 Legislative Meeting minutes. Commissioner Jones seconded the motion. The motion passed unanimously.

RECOMMENDATION OF INVESTMENT STRATEGY WITH PLGIT:

Manager Patterson explained that she, Commissioner Lisanti, and Commissioner Jones met with a representative from PLGIT to talk about the different accounts that the Township has with PLGIT and how to get better interest rates on them. She created a report with a list of all of the accounts, the approximate balances in the accounts, and the proposed plans to get better interest with these accounts. The first account that she discussed was the State Fund Account which is the liquid fuels account. Manager Patterson stated that there will be more money put into this account, however, it will be used for the salt invoices. There will be no change for this account because there is rarely a balance.

The PLGIT general investment account was suggested to change from a regular checking account to an I-class account, which is an internet access account with a higher interest rate.

The PLGIT PLUS is a general investment account and the recommendation is to put \$300,000 into an I-class account and take \$500,000 and invest into laddered CD's.

The Reserve Account recommendation is to put \$100,000 into a CD and have \$3,405 remain liquid.

The Capital Improvements Account is already allocated for the paving project that has not been completed yet. The remaining money is recommended to be moved to an I-class account.

The Sewer Bond Account is the holding account for the sewer bond payments that are received from the Authority and paid twice a year for the debt service. This account already has an I-class account affiliated with it.

Manager Patterson explained the breakdown for the plan for the CD's and laddered investments as listed on her report. The accounts would be divided so that there is rotating access to this money at all times through the year and not locked up in bulk for a large amount of time. She

stated the current yields for the investment accounts. Commissioner Lisanti emphasized the significant difference in the interest rate and the amount of money that would be earned. Commissioner Jones asked for this motion to be included in the Agenda for the next meeting.

PRESENTATION BY ZACH WILLIARD OF PUBLIC FINANCIAL MANAGEMENT, INC. (PFM):

Zach Williard of PFM introduced himself and gave a presentation for the benefits of using PFM as an independent financial advisory service. He explained that PFM is not an underwriter, that they work on the behalf of the Township to get the best transaction possible. PFM works to keep the interest rates as low as possible for the Township to save extra money. He stated that the SEC and MSRB have new rules telling people that they should have an independent financial advisor to avoid the higher interest rates.

Mr. Williard presented the credentials for PFM and the clients that they work with for reference if needed. He explained that PFM will work directly with the Township on a personal level. PFM is available for any questions or concerns. Mr. Williard also explained the underwriter selection options and the pros and cons of all three options. He also explained the negotiating experience of PFM. Mr. Williard also explained the process of negotiating the bond issues.

Mr. Williard presented the Refinancing Analysis regarding the 2011 Bonds. He explained the new high to low ratios with new interest rates. Commissioner Jones asked about the excess from the 2011 Bonds, Mr. Williard stated that the numbers presented would change if the Township wanted to include any of the \$400,000. Mr. Williard also stated that the Township now has a better rating and this would also help with the proposed rates. Vice President Doebler asked if there is any limitation on what the Township can do with the excess money, Mr. Williard explained that there are some limitations, but the Township can spend the money as budgetary savings. Commissioner Lisanti explained that this is the debt service fund.

Solicitor Stone asked if there are any legal restrictions for the refinancing. Mr. Williard explained that you can ask to refinance before the call date only one time, that the next time you would want to refinance it has to be within 90 days of the call date. Vice President Doebler asked what the advantage or disadvantage would be to refinance. Mr. Williard explained that if we anticipated the interest rates to be lower to wait, however, the rates are at a historic low.

Mr. Williard explained the summary of the refunding options. He gave two options explaining the pros and cons along with the negative arbitrage which are described in detail in the refinancing analysis report that he presented to the Commissioners. Commissioner Jones asked how long the process would take. Mr. Williard stated about 8-10 weeks. Vice President Doebler asked where PFM gets paid in this transaction. Mr. Williard explained that PFM gets paid a flat fee at the closing. Commissioner Jones stated that PFM is saving the Township more than their fee and there is a definite savings. Commissioner Jones asked what fees are involved before the closing. Mr. Williard stated that there are advertising costs for the Township and a credit rating fee. Commissioner Jones asked if the costs will be financed into the loan. Mr. Williard said the costs are added into the loan to avoid having to spend money from the general fund.

Commissioner Jones asked what the process would be to engage PFM. Mr. Williard stated that a motion would be needed. Solicitor Stone asked about bond counsel. Mr. Williard said that the choice of bond counsel would not matter, but the sooner they have bond counsel the better. Mr. Williard stated that PFM prepares the bonding documents, the bond counsel prepares their

paperwork, and they are both submitted to the State. This will be on the agenda for next week. Vice President Doebler stated yes to have it on the agenda.

RECOMMENDATION TO APPOINT NEW MUNICIPAL ENGINEER:

Commissioner Lisanti explained that he, Commissioner Jones, and Manager Patterson interviewed four companies and narrowed it down to two companies which were Gateway and HRG. They were impressed with HRG and believed that this would be their recommendation to hire. This will be added to the agenda for next week.

DISCUSSION OF APPOINTMENT TO ALEPPO TOWNSHIP AUTHORITY:

Commissioner Lisanti stated that the position has been open since December. Claudia Brenneisen has submitted her interest. Her resume was also submitted to the Board with her qualifications. Commissioner Jones stated that he has also tried to find somebody for this position. Their concern is that the applicants have recently only been from Masonic Village and that they would like to have more interest/input from the community. The Board will vote on this next week.

DISCUSSION OF VESUVIUS USA LAND DEVELOPMENT APPLICATION AND AMENDED CONDITIONAL USE APPLICATION:

Manager Patterson explained that there was a Planning Commission meeting where a new Land Development application and an amended Conditional Use application have been submitted. Vesuvius wants to have a small addition added to the building. There will be an amended conditional use hearing next week which has been properly advertised. The Board will then vote for approval.

DISCUSSION OF SEWER PROJECT CONDEMNATION PAYMENTS:

Solicitor Stone explained that he has sent letters to the residents that were not willing to sign easement agreements. Offers of compensation have been sent. The property owner has to decide if they will accept the offer. The property owner may have to get a release for approval from the mortgage company to have the money sent to the resident. If the bank signs the release the money is sent directly to the home owner; if the bank does not sign the release Solicitor Stone could have to negotiate with the bank to get the release for the property owner. Solicitor Stone needs the Board to authorize payment either to the property owner for the amount of the estimated just compensation, or payment to the court pending the release from the mortgage company. This saves the Township from having to pay Solicitor Stone to negotiate with the individual mortgage companies. The deadline for the releases is March 24, 2015. Manager Patterson will have the motion for next week.

UNFINISHED BUSINESS:

Commissioner Lisanti asked Manager Patterson if the letter regarding the monthly building permit request was ready to be issued. Manager Patterson stated that this letter was ready to be sent to Sewickley.

President Gartner presented a letter from Tom Baker who is the County Councilman for our district endorsing the Authority's request for the \$250,000 for the CITF grant. Mr. Baker sent a

letter on our behalf to the manager of the Allegheny County Economic Development Department.

NEW BUSINESS:

Commissioner Jones stated that the deadline for getting on the ballot for the primaries is March 10, 2015. He also asked Manager Patterson if she was aware of any candidates. She was aware of 2, possibly 3 candidates.

CITIZEN PARTICIPATION:

None.

ADJOURNMENT:

Vice President Doebler made a motion to adjourn the meeting. Commissioner Lisanti seconded. The motion passed unanimously. The meeting was adjourned at 8:45pm.

Respectfully submitted,

Kimberly A. Koskey
Township Secretary