

March 11, 2014 - BOS/ATMA Joint Meeting

ANTRIM TOWNSHIP MUNICIPAL AUTHORITY

AND

ANTRIM TOWNSHIP BOARD OF SUPERVISORS

JOINT MEETING MINUTES OF MARCH 11, 2014

The Antrim Township Municipal Authority and the Antrim Township Supervisors met in joint session Monday, March 11, 2014 at 7 p.m. in the Antrim Township Municipal Building, 10655 Antrim Church Road, with the following members in attendance: Chad Murray, Rodney Eberly and Bob Coladonato Authority members as well as Linus Fenicle, Solicitor and Carl Rundquist, Public Works Director; and Pat Heraty, Rick Baer and John Alleman, Supervisors and Brad Graham, Administrator. Dale Hostetter, Authority member and James Byers and Fred Young III, Supervisors, were absent from the meeting along with John Lisko, their Solicitor. Audience members included Scott Mehok, of Eckert Seamans, bond counsel for the Township and two high school students.

Supervisor Chairman Heraty called the Supervisors to order at 6:01 p.m. with Authority Chairman Murray calling Authority members to order at 6:02 p.m.

Scott Mehok of Eckert Seamans was on hand to offer financial information on how to best fund the two projects under the jurisdiction of the Municipal Authority, the Shanks Church Road sewer bypass project and the screw press project at a cost of \$3.3 million. After offering a brief description of the Authority's existing debt and the lease back agreement, options for borrowing the money were given as obtaining a General Obligation Note at a rate of 3% interest for the first five years and 5% after the first five for 20 years; or wrap the Note around the existing debt of \$6,430,000. Both of these options would involve the Township as backing the loan. The Board of Supervisors recently raised the sewer rates from \$115.50 per quarter to \$135.00 per quarter or 16.9% to help pay for these projects.

Supervisor Baer asked if the Township could float the loan to the Authority and noted that the Township is not earning 3% on the money they have invested now. Administrator Graham noted that the Township is getting about ½% interest on their funds but that will soon go up to 1%. Graham added that if the Township decides to loan the money to the Authority, that would be tying a huge amount of money up over a period of 20 years.

Solicitor Fenicle noted that if the Authority were to borrow money from the Township the existing lease agreement would have to be amended.

The Supervisors in attendance agreed that the possibility of loaning money to the Authority would be a win/win situation for everyone involved but wanted the input of the absent Supervisors and Solicitor Lisko before making a final decision.

Further discussion included the possibility of borrowing \$1 million for the first project, the screw press, now and then borrowing the rest at a later date, possibly 18 months down the road, for the bypass project. It was suggested that the Authority and Mehok continue their meeting in the conference room to discuss borrowing \$1 million, at what rate and then give the proposal to the Supervisors for consideration.

Supervisor Baer left the room at this time, 6:40 p.m. to return at 6:43 as Graham continued on with the Memorandum of Understanding listed on the agenda.

A Memorandum of Understanding was presented for signature for the Authority to waive the connecting/tapping fee of \$4,854.00 for the Township's municipal building connection to the sewer system at their February 24, 2014 meeting. On an Eberly/Coladonato motion passed 4-0, the Memorandum of Understanding was tabled until such time documentation could be provided of the ATMA asking for the waiver of permit fees and what those fees would have been.

Graham said that there is no documentation of the Authority requesting waivers from permit fees, that it was just automatically done that way. Permits were obtained from the Township for projects, but there were no fees paid to the Township for the permits. Graham agreed the permit fees for previous ATMA projects would not have been as much as the sewer tapping fees for the Township building.

Authority members were concerned that waiving a tap fee for anyone was against the Township's ordinances which state that if you connect to the ATMA sewer system a tap fee must be paid. Coladonato suggested that 3 EDUs (Equivalent Dwelling Units) or tap fees be charged for the Municipal Building, while others disagreed saying that EDUs were based on flows in accordance with Act 57, not by the number of bathroom facilities. Authority members did not want the waiving of these fees to set a precedent that sewer tap fees could or should be waived.

The other issue was whether the Township should pay a repair and improvement charge, which according to Township ordinances if you modify a building a land development plan is required constituting a repair and improvement charge be collected for a new connection to the sewer system. In either case, Coladonato said that the Authority does not have the right to waive ordinances.

Heraty said that the Township had budgeted for 1 EDU when the renovation started with Alleman adding that the Township would pay the fees for 3 EDUs. Heraty added that the Township would not waive permit fees for the ATMA in the future.

Baer noted that there was also discussion about the bathrooms at the park being connected to the sewer system without paying a tap fee and without requesting a waiver from payment of those fees. He told Authority members to figure out if they would require the Township to pay a repair and improvement charge for the renovated municipal building. It was agreed that Coladonato and Rundquist would work together to figure out the proper connection fees.

Authority member Hostetter arrived at this time, 6:50 p.m.

Authority members and Supervisors discussed the recent power point presentation composed and presented by Bud O'Mara, Greencastle Area Franklin County Water Authority (GAFCWA) member, in reference to the proposed merger of the Antrim Township Municipal Authority water system and GAFCWA.

Eberly said that the two most important numbers that came out of that presentation was that the Municipal Authority had a \$20,000 surplus with no planned capital improvements to the system and that GAFCWA had a \$60,000 surplus, with \$4.3 million in near term capital improvements planned. Alleman said that a merger is something the township and the GAFCWA should work toward, but not today, and thought that the Authority should pursue their own water expansion projects with Heraty adding that he thought the merger was a dead issue right now and that we should just hold off and revisit the subject in another five years. Coladonato said that in future discussions, the goal should be to create a true joint authority, manned equally by the Authority and GAFCWA.

Those involved, Supervisors and Authority members, thanked O'Mara for his great presentation.

On an Alleman/Baer motion passed 3-0 (Byers and Young were absent from the meeting), the Board of Supervisors adjourned the joint meeting at 6:57 p.m.

The Authority adjourned the joint meeting at 6:58 p.m. and moved to the conference room to allow the

regularly scheduled Board of Supervisors meeting to begin.

Authority members moved to the conference room with Rundquist, Fenicle and Mehok to continue discussing the financial proposals and how they want to proceed.

Discussion concluded with the Authority stating they would like to propose to borrow \$1,000,000 from the Township for the screw press project at a fixed rate of 2.35% for the first 5 years with a cap of 5% after 5 years, for 20 years subject to conformance with the lease agreement. Authority members wish to have Solicitor Lisko and all five of the Supervisors consider the proposal with Mehok to contact Graham with the details of this proposal and lease agreement.

In addressing the necessity for moving the screw press project along, Rundquist felt that enough funds were available in the capital improvement account to begin the project in case the proposal for borrowing the \$1,000,000 fell through. Engineering and other services are needed for the bypass project and will probably not be ready to do the actual project for at least 12 months.

Authority members recessed back into the Supervisors meeting at 7:50 p.m., with Supervisor Young now in attendance, to discuss a road paving project and raising manhole covers. Mike Condo, Township Roadmaster, was also in attendance.

Supervisors will be going out to bid in the very near future to pave Hykes Road and discovered there were about 20 manhole covers that need to be raised to level out with the pavement. Rundquist said that some of those manholes have about 5 or 6 rings in them, which is a safety hazard to employees, and the rings should be replaced with concrete rings prior to paving. The Supervisors wanted to know whose responsibility the manholes were, the road department or the sewer department, to which Rundquist and Authority members responded that it was a road department responsibility as the manholes would not require raising if the road was not being paved and the cost for replacement should be included in the bid packet as a line item.

Young suggested that staff find out who paid for raising manhole covers when a paving project was set in the past with Heraty wanting clarification of what fund such expenditures came from before. In the meantime, Mike Condo, Roadmaster, was told to proceed with the bid packet.

The meeting adjourned at 8:00 p.m.

Respectfully submitted,

Joyce A. Nowell

Recording Secretary