

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY PA 17033
MONDAY, OCTOBER 2, 2017**

The Derry Township Municipal Authority Board held its regular meeting on Monday, October 2, 2017 in the Conference Room of the Authority's Administration Building, 670 Clearwater Road, Hershey, Pennsylvania. Chairman Weir called the meeting to order at 6:05 p.m.

ROLL CALL

Board Members Present: David Feidt, Justin Engle, Ronald Furlan, and Matthew Weir

Board Members Absent: Michael Corado, Charles Duncan, and Michael Postick

Also Present: Staff Wayne Schutz (Executive Director)
 Tom Mealy (Deputy Director)
 Kimberly Bloom (HR & Benefits Administrator)
 Bill Rehkop (Facilities Director)
 Michael Callahan (Stormwater Program Coordinator)

Consultants Joe Sembrot (Goldberg Katzman)
 Paul Gross (Buchart Horn)

Visitors None

At the time of the Roll Call, the quorum of Board members needed in order to conduct business was not present. While waiting for additional members to arrive, Staff provided a Stormwater Status Update. J. Engle arrived at 6:12 p.m. and fulfilled the quorum requirement. At the end of the Stormwater Status Update Chairman Weir convened the Public Meeting.

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF PREVIOUS MINUTES

R. Furlan made a motion to approve the Minutes of the August 28, 2017 Board meeting as written. J. Engle seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORTS AND BILLS FOR PAYMENT

J. Engle made a motion to approve the August 2017 Treasurer's Report and Bills for Payment as submitted. The motion was seconded by D. Feidt. The motion passed unanimously by voice vote.

EXECUTIVE SESSION

At 6:18 p.m. the Board recessed into Executive Session to discuss personnel and legal issues. They reconvened the meeting at 6:35 p.m.

ITEMS FOR ACTION

Resolution #2017-21 – Appointment of Brown Schultz Sheridan & Fritz as auditor for the 2018 financial audits for wastewater and stormwater accounts: This resolution was passed on a motion by R. Furlan, seconded by M. Weir. The motion passed unanimously by voice vote.

Resolution #2017-22 – Approval of Salary and Wage Budget for 2018: This resolution was passed on a motion by R. Furlan, seconded by D. Feidt. The motion passed unanimously by voice vote.

Discussion on Resolutions #2017-23 and #2017-24 regarding the new PTO and Comp Time Policies

Staff is proposing that several of the existing individual leave policies be combined into one Paid Time Off (PTO) policy. Currently DTMA has several types of leave, each with varying accrual rates, employee accessibility, and use guidelines. Vacation Leave is accrued based on service time and can be accrued up to a maximum of 240 hours. Vacation leave may generally be used for any purpose, in any increment, and conditionally at any time, subject to management approval. Any time in excess of the 240 hour maximum accrual that is not used or sold back (discussed later) is forfeited. Sick Leave is accrued at the rate of two (2) hours per pay or 52 hours per year. Sick Leave may be used in any increments, conditionally at any time (for appointments), subject to management approval, as well as for “call-in” sick days. In late October, employees may “sell back” a portion of their unused vacation and sick leave subject to certain limitations.

Employees are also eligible for four personal days and one floating holiday each calendar year. These days, which must be taken in whole day increments and cannot be carried over or sold-back, are forfeited if not used by year end.

Staff is recommending that the above individual policies be combined into one PTO policy. By doing this, the employee gains more flexibility in using their accrued leave thereby reducing the frequency of unscheduled call-offs. Managing and tracking employee leave becomes less burdensome on the supervisory and administrative staff. There will be no increase in net time off, simply a reconfiguration of existing leave types. During the transition period, the Executive Director is asking for discretionary control to insure that the new policy is fairly and equitably implemented. The PTO proposal has been reviewed by the Personnel Committee, HR legal counsel, and the Solicitor and they concur with the recommendations being presented for approval.

Resolution #2017-23 – Approval to rescind the following current personnel policies: Holidays and Personal Days, Vacation, and Sick Leave and approve a new PTO Policy #5.2000 and a new Holidays Policy #5.2100: This resolution was passed on a motion by J. Engle, seconded by D. Feidt. The motion passed unanimously by voice vote.

According to the Fair Labor Standards Act, non-exempt Government employees may elect to earn equivalent CT in lieu of wage payment for any OT hours worked. CT is earned at the same rate as OT pay. Because DTMA does not have a CT policy, the maximum accrued CT is subject to the Federal FLSA cap of

240 hours. The Act states that employers may, at their discretion, adopt a lower cap. CT may be taken, subject to management approval, in any increment and at any time. Currently there is no provision for annual CT buy back. Ultimately an hourly employee separating from service must be paid for any accrued CT on the books and is, regardless of when the CT was earned, paid at their current wage rate. Several employees have accrued large amounts of CT. This CT is earned at one rate and if cashed-out later will be paid at the employee's current higher rate. Staff has prepared a CT policy for the Board's consideration that would establish a DTMA accrual cap for CT at 40 hours. Employees would not be permitted to accrue more than 40 hours in a year and must use it within that same year. No carryover of CT is permitted. However, non-exempt employees will automatically be paid out at the end of the year for any CT that they were not able to use. The FLSA does not permit the forfeiture of CT for non-exempt employees. No Employee will lose any accrued CT as a result of establishing a DTMA CT cap of 40 Hrs. There will be a payout in January 2018 for the few employees who currently have CT balances over 40. This amount will be included in the 2018 Budget. Supervisors will be encouraged to monitor their employees' CT accruals so they can help them use their CT throughout the year.

Resolution #2017-24 – Approval of the new Compensatory Time Policy #6.2200: This resolution was passed on a motion by R. Furlan, seconded by D. Feidt. The motion passed unanimously by voice vote.

Resolution #2017-25 – Approval of amendments to Executive Director and Deputy Director's employment contracts: This resolution was passed on a motion by D. Feidt, seconded by R. Furlan. The motion passed unanimously by voice vote.

Discussion on Resolution #2017-26

Mike Callahan has been working closely with HRG Staff to identify a Stormwater Infrastructure Replacement Project. They have developed an aggressive project work scope to repair/replace a number of critical stormwater infrastructure components including 23 stormwater pipes crossing Township and PennDOT roadways. Based on this scope, HRG has submitted an engineering proposal to perform the comprehensive engineering design services. The design work is expected to take approximately 6 months. Two of the main project areas include portions of Bullfrog Valley Road and Stoverdale Road. All construction work will be coordinated with the Township of Derry's Public Works department.

Resolution #2017-26 – Approval of HRG's Stormwater Infrastructure Replacement Project proposal: This resolution was passed on a motion by J. Engle, seconded by M. Weir. The motion passed by voice vote. D. Feidt abstained from voting due to his employer's affiliation with HRG.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

M. Callahan noted that there are some items in the Township of Derry's Stormwater Ordinance that need to be addressed in order to bring the ordinance up to current regulation standards. This will need to be accomplished prior to the issuance of the new MS4 Stormwater permit.

The Executive Director noted that the Budget will be presented at the November meeting. It may be necessary to raise rates by 2% for 2018. Mr. Furlan asked if the Board could authorize an automatic escalation clause for rates each year based on inflation or the Consumer Price Index instead of having to address this issue each year. If no increase is necessary, then none would have to be taken. The Director noted that a previous Board had authorized sewer rate increases by 6%, 6%, and 4% for three consecutive

years. The last increase was in 2016. The Board can discuss this further at the Budget presentation in November.

The Director also noted that service terms for Board Members David Feidt and Mike Corado will expire at the end of 2018. Mr. Feidt has expressed an interest in returning to serve on the DTMA Board. The Director asked that the Township of Derry Supervisors consider his request to remain on the DTMA Board.

OTHER BUSINESS


There was no further business to come before the Board at this time.

PUBLIC COMMENT

There was no public comment at this time.

ADJOURNMENT

With no further business to come before the Board, R. Furlan made a motion to adjourn the October 2, 2017 public meeting at 7:05 p.m., seconded by D. Feidt. The motion passed unanimously by voice vote.



(Assistant) Secretary