

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY PA 17033
MONDAY, JANUARY 27, 2020**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, January 27, 2020, in the Conference Room of the Authority's Administration Building, 670 Clearwater Road, Hershey, Pennsylvania. Chairman Postick called the meeting to order at 6:00 p.m.

ROLL CALL

Board Members Present: Charles Duncan, David Feidt, Ronald Furlan, Brian Link, Michael Postick, Matthew Weir, and Carter Wyckoff.

Board Members Absent: None

Also Present: Staff Wayne Schutz (Executive Director)
William Rehkop (Facilities Director)
Kimberly Bloom (HR & Benefits Administrator)
Michael Callahan (Stormwater Program Manager)
Pearl Comarnitsky (Finance Director)

Consultants Lee Stinnett (Solicitor, Salzmann Hughes)
Paul Gross (Buchart Horn)
Ben Kapenstein (PFM)
Ryan Brockman (RBC Capital Markets)

Visitors None

ELECTION OF AUTHORITY OFFICERS

Solicitor Lee Stinnett called for nominations for each of the 2020 Board officer positions.

Chairman - B. Link nominated David Feidt as Chairman. M. Weir nominated Ron Furlan as Chairman. A voice vote was taken and Mr. Feidt received the majority of the Board votes.

1st Vice Chairman:- D. Feidt nominated Charles Duncan. No other nominations were received. A voice vote was taken with the majority voting for Mr. Duncan.

2nd Vice Chairman – C. Duncan nominated Brian Link. No other nominations were received. A voice vote was taken with the majority voting for Mr. Link.

Secretary – C. Duncan nominated Matt Weir. No other nominations were received. A voice vote was taken with the majority voting for Mr. Weir.

Asst. Secretary – M. Weir nominated Ronald Furlan. No other nominations were received. A voice vote was taken with the majority voting for Mr. Furlan.

Treasurer – D. Feidt nominated Michael Postick. No other nominations were received. A voice vote was taken with the majority voting for Mr. Postick.

Asst. Treasurer – B. Link nominated Carter Wyckoff. No other nominations were received. A voice vote was taken with the majority voting for Mr. Wyckoff.

Chairman Feidt proceeded to preside over the meeting. As part of the reorganization, the Chairman appointed Matt Weir, Brian Link and Charles Duncan to serve on the Personnel Committee for 2020.

At this time, Mr. Link noted that in January 2019 the Solicitor at that time, Joe Sembrot, resigned from this position and Lee Stinnett of Salzmann Hughes was appointed as Acting General Solicitor. Mr. Link made a motion to have Mr. Stinnett continue as Acting Solicitor and prepare a Request for Proposal (RFP) for the Solicitor position. Proposals should be received prior to the February Board meeting and reviewed by a committee of Board members. The committee can then make a recommendation for appointment at the February 24, 2020 Board meeting. C. Duncan seconded. The motion passed by voice vote. Mr. Furlan voted against. Chairman Feidt appointed Charles Duncan, Carter Wyckoff and David Feidt as the review committee.

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF PREVIOUS MINUTES

C. Duncan made a motion to approve the Minutes of the December 30, 2019 Board meeting as submitted. B. Link seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORTS AND BILLS FOR PAYMENT

Staff presented the December Bills for Payment and Treasurer's Report for approval. B. Link made a motion to approve the December reports, seconded by C. Duncan. The motion passed unanimously by voice vote.

STAFF UPDATES AND REPORTS

EXECUTIVE DIRECTOR'S REPORT – WAYNE SCHUTZ

Mr. Schutz reported that there were no professional services contracts or contract change orders executed by him in December.

PENSION PLAN CONSOLIDATION UPDATE: The transition of the Principal Money Purchase Plan (401) over to ICMA-RC (the existing Section 457 plan manager) was successfully and smoothly completed in late December. The ICMA-RC transition team was very thorough and exceptionally easy to work with. The Authority paid out approximately \$2,500 to Principal for fees incurred during the transition including enhanced electronic data transfer reporting and an early surrender charge. Those fees are offset by forfeitures that occur when employees leave prior to full vesting in the 401 plan. In addition to having a single on-line access to both the 401 and 457 plans, ICMA-RC offered lower management fees that will improve account returns. By consolidating the employees' 401 and 457 account balances, employees may now have access to additional features and options provided by ICMA-RC at no charge.

STAFFING UPDATE: All current vacant positions have been successfully filled.

GESA UPDATE: A letter was received from Lawrence Roth, ESG Senior Vice President. It is provided for the Board's reference prior to the Executive Session.

FACILITIES DIRECTOR'S REPORT – BILL REHKOP

Mr. Rehkop provided the Board with a memo on the 2019 Operating Year in Review which highlighted significant operational events throughout 2019. He did not review the entire memo, but one item in particular he wanted to mention was the \$1.6 million generated by the hauled waste program as being the highest amount received in this program since its inception.

Mr. Rehkop then provided the Board with a memo on the status of several engineering projects. All of the projects are on schedule. The Board had no questions at this time.

Mr. Rehkop then reviewed the current construction projects.

CLEARWATER ROAD WWTF POWER IMPROVEMENTS [CONTRACT 2019-01]

GSE will commence with construction work in March 2020 upon delivery of the new switchgear equipment. As requested by the Board at the last meeting, Staff directed Buchart-Horn to review the change order request submitted by GSE. Buchart-Horn completed their review and found the material costs and labor hours to be consistent and competitive compared to RSMMeans pricing data, a nationally recognized construction cost estimating database. As previously mentioned, RK&K has also reviewed the proposed change order and finds the additional work and pricing to be acceptable.

GSE submitted backup documentation which includes a cost breakdown for the additional material and labor as well as an exhibit detailing the proposed work changes. This proposed change order increases the original contract price by an estimated amount of \$141,661.55. GSE noted that there is a potential for savings depending on modifications to the duct bank alignment and removal of electrical manholes. Any potential savings will be identified as the project moves forward into construction.

Resolution #2020-03 – Approval of Change Order #1 with Garden Spot Electric pending verification of the labor rates contained in the change order: This resolution for the approval of Change Order #1 was passed on a motion by B. Link, seconded by C. Duncan. Mr. Link's motion was contingent upon verification that the labor rates in the change order are prevailing wage rates. The motion passed unanimously by voice vote.

WWTP INTERIOR PIPE INSULATION [CONTRACT 2019-02]

Masters Mechanical Insulation, LLC (MMI) completed all work by the end of December 2019. Staff is very pleased with the outcome of the project and MMI's quality of work. MMI submitted AFP #2 in the amount of \$15,499.93 for the work completed through January. The contract work includes the replacement of flood damaged piping insulation systems and, therefore, all invoices will be paid from the WW Operating Fund. With completion of the contract work, Staff anticipates receipt of the contract closeout documentation sometime in February, and upon receipt, will process the final payment application to release the contract retainage in the amount of \$3,339.79.

CLEARWATER ROAD WWTP FLOODPROOFING [CONTRACT 2019-03]

Performance Construction Services (PCS) completed all concrete work associated with the stairwell access areas and raising of the ventilation fans. The remaining contract work includes the installation of the flood barriers which will likely be delivered and installed by end of February. PCS has submitted AFP #2 for the work completed prior to date in the amount of \$30,508.81.

HERSHEYPARK DRIVE SANITARY SEWER EXTENSION [CONTRACT 2019-04]

No update to report since last month's meeting. Wexcon will likely commence with construction work sometime in February.

CLEARWATER ROAD SITE GRADING AND IMPROVEMENTS [CONTRACT 2019-05]

All work on-site is nearing completion. Ebersole and their sub-contractor began constructing the perimeter fence during the week of January 20th. Surface restoration is the only contract item remaining to be completed which will likely occur in the spring. Ebersole has submitted AFP #4 for the work completed prior to date in the amount of \$84,350.27.

SOLICITOR'S REPORT – LEE STINNETT

The Solicitor requested that an Executive Session be held prior to adjournment to discuss a customer collection matter, a potential litigation matter, and a personnel matter.

ITEMS FOR ACTIONS

Discussion on Resolution #2020-01 – Refinancing of Authority Bonds

In 2019, DTMA refinanced the Series 2014 GO Bonds which were issued by the Township on behalf of the Authority and guaranteed through a Subsidy Agreement. At that time Lou Verdelli informed the Board that there would be an opportunity in early 2020 to refinance the Series 2015 GO Bonds. Recently Mr. Verdelli has indicated that with interest rates remaining at near record low levels, it would be advantageous to also refinance the 2016 GO Note (issued by the Township) as well.

Mr. Verdelli provided information to the Board prior to the meeting to review the consolidation and refinancing of both the 2015 GO Bond and the 2016 GO Note. In addition to consolidating both debts into a single refinance issue with a likely net savings of \$250,000, it eliminates all risk of the variable interest rate clause included in the terms of the 2016 GO Note. It would be Staff's intent to defer the savings until next fiscal year to help offset the projected increase in debt service from recent new money borrowing. Ryan Brockman (RBC Capital Markets) and Ben Kapenstein (PFM) presented the specifics of the potential refinancing. Mr. Brockman reiterated that rates are at an all-time low, currently at 1.23%. Both of the refundings would be included into one 2020 GO Bond issue and would again be issued by the Township and guaranteed through the Subsidy Agreement. B. Link asked for a breakdown of associated fees when they become available.

Resolution #2020-01 – Authorization to Proceed with the 2015 General Obligation Bonds and the 2016 General Obligation Note Refinancings: This resolution was passed on a motion by R. Furlan, seconded by M. Postick. The motion passed by voice vote. D. Feidt abstained from voting due to his business affiliation with one of the members of the Finance Team.

Resolution #2020-02 – Ratification of project payments from the 2019 Capital Project Fund and authorization for payments to be made from the 2018 Construction Fund: Staff reviewed the payments from the 2019 Capital Project Fund requiring Board ratification and payments from the 2018 Construction Fund requiring Board authorization. This resolution was then approved on a motion by C. Duncan, seconded by B. Link. The motion passed by voice vote.

Resolution #2020-04 – Bid award of Contract #2019-09 for the replacement of various sanitary sewer and stormwater lines and Resolution #2020-05 Bid award of Contract #2019-10 for the relining of various sanitary sewer and stormwater lines: These resolutions were approved on a motion by R. Furlan, seconded by C. Duncan. The motion passed unanimously by voice vote.

Resolution #2020-06 – Annual authorization for destruction of Authority records; Resolution #2020-07 – Annual authorization for execution of PA Department of Transportation documents; Resolution #2020-08 – Annual authorization for staff execution of certain legal documents; Resolution #2020-09 – Annual authorization for staff execution of grant documents and Resolution #2020-10 – Annual authorization for Executive Director to execute minor construction contract change orders: These resolutions were approved on a motion by C. Duncan, seconded by R. Furlan. The motion passed unanimously by voice vote.

Discussion on Resolution #2020-11 – Revised Rates, Rules and Regulations

Over the past several months, the Solicitor and the Executive Director have been working to revise, update, and reformat the Authority's Rates, Rules, and Regulations (RR&Rs) for the Wastewater Sewer System document. The proposed RR&Rs document has been reformatted in such a way that any revisions including the authorizing resolutions that occur during the year will be inserted into Section 11. At the reorganizational meeting every January, a revised version of the RR&Rs document incorporating all changes that occurred during the previous year will be adopted in its entirety. This will insure that the most current version of the RR&Rs is readily identifiable and available.

Resolution #2020-11 – Approval of the 2020 Rates, Rules, and Regulations: This resolution was passed on a motion by R. Furlan, seconded by B. Link. The motion passed unanimously by voice vote.

Discussion on Resolution #2020-12 – Approval of HRG work Stormwater Project

As part of the DTMA 2020 Stormwater Budget approved in December 2019, staff identified stormwater conveyance improvements to the Ridge Road/Chocolate Avenue intersection. This gray infrastructure improvement work is an important component of a larger improvement project that includes an underground detention project. DTMA submitted an application for a PA Small Water and Sewer Grant to construct the underground stormwater detention/storage project. When completed, the underground detention/storage facility will tie into the proposed Ridge Road drainage improvement project.

Resolution #2020-12 – Approval of HRG Confirmation of Assignment for Ridge Road Drainage Improvement Project Phases 1-5: This resolution was approved on a motion by C. Duncan, seconded by B. Link. The motion passed by voice vote. M. Postick and D. Feidt abstained from voting due to a potential business conflict.

EXECUTIVE SESSION


The Board recessed into Executive Session at 6:49 p.m. to discuss account collections, personnel and potential litigation matters. They reconvened the meeting at 7:17 p.m.

PUBLIC COMMENT

There was no public comment at this time.

ADJOURNMENT

With no further business to come before the Board, C. Duncan made a motion to adjourn the January 27, 2020 public meeting at 7:17 p.m., seconded by C. Duncan. The motion passed unanimously by voice vote.


Matthew A. Wei
(Assistant) Secretary