

MIDDLETOWN TOWNSHIP
DELAWARE COUNTY, PENNSYLVANIA
June 9, 2014

Minutes of the Regular Meeting of Township Council Held on, June 9, 2014 at 7:00 P.M., in the Township Administration Building located at 27 North Pennell Road

Present: M. Amoroso, L. Bradshaw, R. Carlson, S. Galloway, and M. Kirchgasser
B. Clark, and J. Damico, Esquire

1. Chairperson Mr. Kirchgasser called the meeting of the Council to order at 7:06 P.M., and led recitation of the Pledge of Allegiance to the Flag.

2. APPROVAL OF THE MINUTES

Ms. Amoroso motioned to approve the May 12, 2014 regular meeting minutes, Mr. Carlson seconded this motion and Council approved unanimously.

3. COMMENTS FROM THE PUBLIC

Dr. Grove, New Darlington Road, asked for a bamboo regulation update. Mr. Clark stated additional ordinance samples were sent over to the Solicitor's office for review and an updated draft would be presented at the July Roads, Highway and Public Safety committee meeting.

Mr. Evans, Foxwood Lane, commented that he sent a note to Mr. Rothe a few days prior with pictures of excavation work occurring on Woodcrest Lane. He noted that Court stipulations provided that this work could not be done and Mr. Kirchgasser confirmed this. According to Mr. Evans, Mr. Rothe responded that he would go to the property earlier in the day to investigate this claim. Mr. Evans was interested in getting an update on what Mr. Rothe found during his investigation.

Mr. Rothe was not present. Mr. Kirchgasser summarized that it was Council's understanding that the Stipulation provided that there was to be no disturbance of a section of trees, growth and land. He noted Council has not received all the information; however he commented that it is obvious some of the stipulated area has been disturbed by the trees being removed. He explained that it was his expectation that Mr. Rothe would provide a full report on this matter.

Mr. Damico reported that the Declaration regulating disturbance of trees on a portion of the lot on Woodcrest Lane was recorded and therefore legally binding for the new buyer. From a legal perspective, there is also a question of who has enforcement rights to see the corrections to this violation are made. Mr. Evans asked how a new property owner would have been made aware of Court Stipulations such as this one. Mr. Damico stated that if it was recorded, as this one was, then it should have been on the Title Report. Mr. Evans then asked if the real estate agent has a responsibility to tell the buyer of this type of stipulation and Mr. Damico responded it is the responsibility of the seller and found in the Seller Disclosure Statement. Mr. Damico then informed Mr. Evans that he would be taking a closer look the

next day and would also reach out to Mr. Rothe about the situation. Mr. Kirchgasser informed Mr. Evans he should be able to follow up with Mr. Rothe later in the week.

Mr. Kirchgasser asked if there were any further comments. Mr. Galloway expressed that it would be appropriate to invite the Penncrest Lacrosse team (PHS) to the next agenda meeting. Mr. Kirchgasser agreed and explained to the audience that PHS won the State Boys Lacrosse Championship over the weekend, calling it a "big win and a great game." He agreed that the team should be invited to the next meeting and properly recognized.

4. REPORTS

A. CHAIRPERSON

Mr. Kirchgasser noted Council had an executive session prior to this meeting to discuss legal issues regarding land use at 397 Convent Road and Item 5B.

B. FINANCE AND ADMINISTRATION

Mr. Carlson reported that there was a review of the 2013 Township audit report.

C. LAND PLANNING

Ms. Bradshaw reported there was a discussion of a network of walking and biking trails and Item 5D.

D. ROADS, HIGHWAYS & PUBLIC SAFETY

Mr. Kirchgasser reported that Mr. Federico provided preliminary results for the Rt. 452 and Rt. 1 Intersection Study. He will be attending a future committee meeting with his final findings. Mr. Kirchgasser also stated the potential for a stop sign at the intersection of Linvill Road and Knowlton Road was discussed.

E. MANAGER

None

5. NEW BUSINESS

A. Refinancing of 2010 Bond Issue—Smedley Tract Purchase

Mr. Clark explained a preliminary presentation was made by RBC Capital Markets (RBC) at the previous meeting regarding the benefits of refinancing the 2010 Bond Issue of the Smedley Tract purchase. During that meeting, it was reported that there would be a net savings of approximately \$320,000 depending on market conditions, which could be used to lessen expenses for the 2015 budget. He noted that Council authorized RBC to begin drafting the necessary paperwork for the refinancing. He

then introduced RBC representatives to discuss the draft ordinance, commenting that if the ordinance is approved, settlement would be early to mid August 2014.

Bill Benzing of Eckert Seamans, bond counsel, reported he was presenting a draft ordinance to Council for consideration, which authorizes refinancing the 2010 bonds. It sets forth maximum principal amounts and debt service amounts for each year and authorizes the maximum principal of bonds in the amount of \$8,345,000. He noted the draft ordinance provided parameters for savings realized and requires a 3% savings threshold in order for the sale to proceed, identifies a paying agent/fiscal agent for the bonds, authorizes the completion and filing of all necessary documents and attaches the form of bond.

Jim Gray and Brian Bradley from RBC Capital Markets, explained that RBC has worked with the Township on past bond issues and that they have made Council aware the Township is at a point where it could consider an advanced refunding of the 2010 Bond Issue. Mr. Gray noted that taking advantage of this would save the Township "a considerable amount of money."

Mr. Bradley explained the current market was favorable for a refinancing due to historical interest rate lows for municipalities. He then reviewed the presentation packet he provided the Township. Notable points from this review included that today's rates are lower than 80% of the historical rates since 1961 and the cash flow analysis showed a present value savings of \$333,539 (4.66%). He noted the general market rule of thumb for refinancing is 3%, which is less than what the actual savings to be realized would be based on current rates. Mr. Bradley recommended Council approve the refinancing contingent upon a determined minimum savings threshold being met. He recommended Council set the minimum savings threshold at the general standard of 3%, but noted Council could set the threshold to whatever level they choose. Mr. Bradley went on to explain that the target time table would be for bond issue pre-sale by June 30, 2014, with closing in August.

Jim Gray of RBC presented information regarding the possible savings realized. He noted that based on today's rates the savings would be 4.7% (over the target of 3%), which equates to \$335,000. He explained the parameter for the savings threshold was included since it is possible the rate could change. Mr. Kirchgasser noted the minimum savings would be \$300,000 based on the 3% threshold. Mr. Evans inquired what the original face value of the loan amount was. Mr. Clark explained that 2010 was a refinancing as well; however, he did not have this data with him. He informed Mr. Evans that this information is available in the Township file and it can be provided to him if he makes the request.

Mr. Clark also commented that the payment period would still be the same and would reach maturity in 2035; however, due to the reduced interest rate, there is a significant savings with the refinancing. Mr. Kirchgasser emphasized that the savings threshold parameter was in place in order to assure there would be a benefit to refinancing if the ordinance was approved, and commented that Council would not act if the savings threshold was less than the stipulated 3%.

Ms. Bradshaw motioned to approve introduction of the ordinance to authorize the issuance of the bond refinancing. Ms. Amoroso seconded the motion and Council approved the introduction unanimously 5-0.

B. Review of Sewer Authority Matters
i. Extension of Sewer Authority Life

Tim Sullivan introduced himself as Chairman of the Middletown Township Sewer Authority (MTSA), along with MTSA Solicitor Jim Flandreau and MTSA Manager John Ibach. Mr. Flandreau informed Council that he provided Mr. Damico the draft ordinance MTSA would like Council to consider for approval as soon as possible along with the resolution MTSA intends to approve in the June agenda meeting on June 16, 2014. He explained the ordinance provides MTSA a life extension of 50 years, which is sufficient to handle the pending bond issue for interceptor construction and permissible by the Authorities Act. He went on to state that assuming the MTSA Board approves the resolution on June 16th, it would then be appropriate for Council to introduce the draft ordinance if they so choose. This was necessary in order for MTSA to take the steps necessary with the State prior to going to bond issue. He noted Mr. Damico found a one minor error in the draft ordinance regarding it taking immediate effect instead of the 31 days required. Mr. Flandreau noted the error would be changed prior to the draft ordinance being presented for action by Council.

Mr. Galloway asked how long the bond issue would be for. Mr. Flandreau explained a final decision has not been made and that the MTSA Board was contemplating either 20 years or 30 years depending on rates and the final amount of borrowing. He noted MTSA was only planning to borrow for one phase of the project currently; however, Phase 1 and Phase 2 are coming together quicker than originally planned and he suspected the second bond issue to be requested relatively sooner than expected in order to complete Phase 2. Mr. Sullivan commented that regardless of choosing 20 or 30 years, the life of MTSA would expire prior to 20 years in 2027. He also noted that if Council desired, the life of MTSA could be deemed less than 50 years as long as it outlived the terms of the bond. Mr. Galloway commented he had no problem with 50 years and was only interested in where that length of time came from. Mr. Flandreau stated it was the maximum allowed by the Authorities Act.

Mr. Damico had no further comments but verified the information provided by Mr. Flandreau regarding the minor error was correct. He noted that Mr. Flandreau indicated the bond schedule would not be affected by waiting the 31 days required by the State. He explained the ordinance would be introduced on June 23, 2014, and if passed during the July 14, 2014 meeting, then the ordinance would be effective 31 days after (August 14th). Mr. Flandreau noted he would relay this information to the Authority's Bond Counsel and did not anticipate any issues with it.

ii. Chester Creek Interceptor extension—Phase III

Mr. Sullivan requested Council authorize a plan of study for Chester Creek Interceptor (CCI) Phase III. Using a diagram, Mr. Sullivan indicated where CCI Phase I was located (approximately Glen Riddle Road to Mt. Alverno Road) and explained the 537 plan was amended and DEP approved it. The bond issue is underway and he expected Phase I to start construction by early 2015. Using the diagram, he then indicated where CCI Phase II was located (approximately Mt. Alverno Road to the Southwest Treatment Plant, where the DELCORA pump station is presently being constructed). Mr. Sullivan noted the 537 plan was amended and DEP approved it for this area as well and they were beginning the necessary engineering for Phase II. He explained MTSA would like to start working on the Phase III 537 Plan Amendment and indicated on the diagram where Phase III would be located (approximately Glen Riddle Road to vicinity of Baltimore Pike, Wawa area).

Mr. Kirchgasser asked Council if there were further questions from Council. There were none. He then asked if the audience had any questions. There were none.

Mr. Clark noted that his understanding was that once the feasibility study is completed and MTSA approves it, then MTSA would formally ask Council to approve the 537 amendment. Mr. Sullivan confirmed this, commenting that it may be necessary for MTSA to go in front of Aston Township Planning Commission, depending on the final locations of Phase III. Mr. Ibach noted that it would be determined in the feasibility study if Phase III would be completely in the Township or if a portion would be in Aston Township. Mr. Sullivan agreed and commented MTSA had a good working relationship with both Southwest and Aston Township.

Ms. Bradshaw motioned to approve the Phase III engineering study. Ms. Amoroso seconded the motion and Council approved the motion unanimously, 5-0.

C. Acceptance of Certificate of Total Completion—Elwyn/Wechsler Building—111
Elwyn Road

Mr. Clark explained the Wechsler Building was a residential building approved a few years ago, which houses a number of Elwyn clients on Elwyn property. He noted that

all engineering requirements for land development have now been finalized and Mr. Rothe has approved the completion. He reported that as long as Council approves acceptance of Elwyn's total completion of the project, the money left in escrow would be returned to Elwyn.

Ms. Bradshaw moved approval for acceptance of the Certificate of Total Completion for Elwyn. Ms. Amoroso seconded this motion and Council approved Resolution 2014-46 unanimously, 5-0.

D. Request for Inclusion of Bicycle Lane—Cloverleaf Replacement Project

Mr. Clark reported the Parks and Recreation Committee met with Land Planning Committee on June 2, 2014 and requested that Council ask PADOT to include bicycle lanes as part of the preliminary design process for the reconstruction of cloverleaf at routes 352 and 1. He explained the preliminary design has been funded by PADOT and it is projected to start in 2021 or 2022. He went on to state that final designs of this project have not been completed and that this would be an appropriate time to make the request for bicycle lanes at this point in the planning.

Ms. Bradshaw commented that reconstruction of this intersection was in the TIP 7 year project program 12 years ago, was taken off and is now included once again. Mr. Clark confirmed this, and noted that being in the TIP makes it eligible for State funding.

Mr. Kirchgasser noted that the Land Planning Committee is working with Parks and Recreation to connect trails throughout the Township and that this is a good opportunity to connect the Township at this intersection. Ms. Bradshaw commended the job Parks and Recreation has done thus far.

Ms. Bradshaw motioned to make the request to PADOT to include bicycle lanes as part of the Cloverleaf Replacement Project. Mr. Galloway seconded this motion and Council approved the motion unanimously, 5-0.

E. Authorize Disposal of Unneeded Records

Mr. Clark explained the Township was required to have Council approve disposal of unneeded financial documents and records. He identified the documents that Township wished to dispose of as 2011 tax bills, 2009 cash records, and 2006 AP invoices. In addition one box of miscellaneous files from the Manager's office was also requested to be disposed.

Mr. Bradshaw motioned to approve disposal of the abovementioned documents. Mr. Carlson seconded this motion and Council approved Resolution 2014-47 unanimously, 5-0.

F. Renewal of Insurance Package—Fire Company

Mr. Clark reported the Township pays the cost of insuring the fire companies. Due to the consolidation of the two fire companies (Lima and Lenni), the number of fire companies to insure has been reduced from 3 to 2. He explained the insurance policy renewal would be effective May 1 and the cost of the renewal would be well within the budgeted amount at \$28,859. Mr. Clark indicated that last year's renewal was \$34,331 and that this reduction was due to the consolidation of the two companies and the fleet being lessened by 1 truck at this time since the new vehicle has not yet been delivered.

Ms. Bradshaw motioned to approve renewal of the insurance package. Ms. Amoroso seconded this motion and Council approved Resolution 2014-48 unanimously, 5-0.

G. Approval of Bill List

Mr. Kirchgasser read aloud the bill presented for Council's consideration for approval for payment.

Ms. Bradshaw moved that payments under the June 9, 2014 Bill List be authorized for payment by the Finance Department:

<u>General Fund</u>		
Petrikin Wellman Damico Brown & Petrosa	Professional Services	\$7,210.00
McCusker & Ogborne	March & April Recycling & Yard Waste	\$35,914.48
Aqua Pennsylvania	March & April Hydrant Rental	\$22,561.50
Riggins Inc	Fuel	\$8,422.95
Longley Insurance Agency	Commercial Package	\$14,429.00
Independence Blue Cross	June Health Insurance	\$8,006.22
	Highway Share	\$10,881.71
	Sewer, Cobra, & Library Share	\$7,040.36
	Recreation Share	\$3,476.80

\$29,405.09

Total General Fund \$117,943.02

Recreational Enterprise Fund

Celebrity Limo Service Various Trips \$7,185.00

TD Bank Community day \$1,172.03

Supplies \$9.24

Tickets \$12,140.00

\$13,321.27

Total Recreation \$20,506.27

Capital Reserve

Computer & Network Paramedics Server \$6,211.50

Mr. Carlson seconded the motion, and Council approved Resolution 2014-49
unanimously, 5-0.

6. ADJOURNMENT

Ms. Amoroso motioned for adjournment and Mr. Carlson seconded the motion. Council
approved unanimously to adjourn the meeting at 7:56 PM.

Respectfully submitted,


Amanda Allen, Recorder