

**GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY, OCTOBER 15, 2010 MINUTES**

The regular meeting of the General Municipal Authority of the Township of Manheim was held on Friday, October 15, 2010 at 7:30 a.m. at the Manheim Township Municipal Building, 1840 Municipal Drive, Lancaster, Pennsylvania. Authority members present were: James J. Lombardo, J. Michael Flanagan, Edward J. Plakans and Gary R. Johnson. Steven L. O'Donnell was absent. Also present were Solicitor William C. McCarty, Engineer Dale Kopp, Engineer Matt Brown, Finance Officer Dawn M. Stratchko and Assistant Secretary Linda M. DiPerna.

Mr. Lombardo called the meeting to order at 7:30 a.m. and led all in attendance in the Pledge of Allegiance to the flag of the United States of America.

Mr. Lombardo offered a moment for public comment. Having no members of the public in the audience, the Authority proceeded with the agenda.

Mr. Flanagan suggested one correction to the minutes of the July 16, 2010 meeting. The amount on page two of \$4.75 million should be \$4.265 million. Mr. Plakans said the date listed on the last page of the minutes announcing the next meeting should be October 15, 2010 instead of September 17, 2010. Mr. Johnson moved to approve the July 16, 2010 minutes with the two corrections. Seconded by Mr. Plakans. Motion carried unanimously.

Mrs. Stratchko explained the financial reports. CDs came due this quarter which explains the larger interest amount. And tapping fees were better this year than they expected.

Mr. Lombardo asked about the Library funds for the Geothermal System. Mrs. Stratchko answered that they haven't given the Library any money yet. She needs to get the final numbers from Sean Molchany. Mr. Lombardo understood that the Chair of the Library Board said the General Municipal Authority will give them \$300,000 regardless of the actual cost. Mrs. Stratchko estimated the total would be between \$165,000 and \$200,000.

Discussion ensued regarding tapping fees. Mr. Flanagan said we borrowed \$4 million; if we have to deduct that from our tapping fees, would we be better off paying our portion of the debt more rapidly? Mrs. Stratchko answered no. Mr. Flanagan said we can't make any money on our current balance. Mrs. Stratchko agreed. Mr. Flanagan said would we be better off paying off that outstanding debt, then we could charge a higher tapping fee. Because we can't get any interest on our money, we want to satisfy the debt as quickly as we can. Mrs. Stratchko explained the reasoning. Mr. Johnson asked for the payback on the bond. Mrs. Stratchko answered 20 years. Mr. McCarty explained that the bonds have a scheduled maturity where so much is due per year. He wasn't sure these were bonds that could be paid off early. Mr. Johnson asked if we are required to recalculate the tapping fees at regular intervals. Mr. McCarty answered no, but they must recalculate them if someone requests it.

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At this point, Mr. Johnson motioned to accept the Financial Reports for July, August and September 2010. The motion was seconded by Mr. Flanagan and approved unanimously.

On a motion by Mr. Plakans, seconded by Mr. Johnson, the following invoices were approved for payment:

1. Payment to ARRO Consulting, Inc. in the amount of \$3,517.06,
2. Payment to Hartman, Underhill & Brubaker LLP in the amount of \$12,514.56,
3. Payment to Trout, Ebersole & Groff in the amount of \$3,200.00, and
4. Payment to Manheim Township Board of Commissioners in the amount of 171,554.38.

Motion carried unanimously.

Mr. Flanagan moved to pay the upgrade of the Finance Department's computer system by the General Municipal Authority in an amount not to exceed \$20,000.00. Seconded by Mr. Johnson. Motion carried unanimously.

Discussion occurred regarding the PPL Right-of-Way Agreement. Mr. Plakans discussed the provisions regarding trees. Mr. McCarty explained that these rights are granted to PPL and that this is an additional document. Mr. Plakans moved and Mr. Johnson seconded authorizing the completion of the PPL Right-of-Way Agreement. Motion carried unanimously.

Further discussion ensued regarding the Municipal Authority's Act Tapping Fee Calculation. Mr. Johnson thanked Mr. Brown for doing these calculations.

Dale Kopp discussed the Project Update. He presented a spreadsheet detailing the construction timeline. They created a video of the existing conditions as proof and protection in case any residents come back later with claims. The electrical contractor has requested a change order due to prevailing wage rate increases. In response to Mr. Flanagan's question, Mr. Brown answered that we are locked into the bid rate; the contractor might have to pay the rate change, but we won't. We will have to pay for this one because we signed after the rate increased.

Mr. Brown then explained that they have a contractor who has requested monthly payments, but the General Municipal Authority meets quarterly. Mr. Lombardo said they acted on this at their last meeting. Mr. Kopp asked if the sub-contractors wanted to

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meet monthly. Mr. Lombardo said no, but he requested monthly e-mail updates. Mrs. Stratchko asked to be copied on those e-mails.

Mr. Flanagan then moved and Mr. Plakans seconded to expand the signing authority granted at the July 16, 2010 meeting to include authorizing the Authority President, Vice President and Treasurer to issues checks for payment to ARRO Consulting, Inc. and approved contractors through the course of the water line project and address issues of payments for the water line project on behalf of the Authority. Motion carried unanimously.

There was then discussion on the Status Update on Library Funds for Geothermal System. Mr. Lombardo cited the January 16, 2009 minutes where the Authority unanimously approved "...to allocate funds for the geo-thermal heating unit for the new Library in an amount up to \$300,000." He said the balance has to come back to the Authority. Mr. Plakans asked for an invoice showing exactly how much the geothermal unit cost. Mr. Plakans then moved to issue the check for the Geothermal System based on the January 16, 2009 minutes. Seconded by Mr. Flanagan. Motion carried unanimously.

There being no further business, on a motion by Mr. Flanagan, seconded by Mr. Plakans, the meeting was adjourned at 8:35 a.m. Motion carried unanimously.

The next scheduled meeting will be Friday, January 21, 2011 at 7:30 a.m.

Respectfully submitted,

Linda M. DiPerna, on behalf of
Michael D. Rimer
Recording Secretary