

**GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY, JULY 16, 2010 MINUTES**

The regular meeting of the General Municipal Authority of the Township of Manheim was held on Friday, July 16, 2010 at 7:30 a.m. at the Manheim Township Municipal Building, 1840 Municipal Drive, Lancaster, Pennsylvania. All Authority members were present. Also present were Solicitor William C. McCarty, Engineer Dale Kopp, Finance Officer Dawn M. Stratchko and Township Manager Michael D. Rimer.

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 motioned to approve the minutes of the April 16, 2010 meeting. The motion was seconded by Mr. Johnson and approved unanimously.

Mr. Lombardo asked Mrs. Stratchko to go over the Authority Financial Report. Mrs. Stratchko reported that tapping fees were showing some sign of increase and doing better than this time in 2009. Mr. Johnson questioned when the "beginning" of tapping fees started for the Authority as a basis for trends. Mr. McCarty indicated that around 1981 or 1983 was his estimate. Mr. Johnson raised the question based on the "total tapping" fee figure presented on the financial report. Mrs. Stratchko responded that this was "unusual info" but that this was historically how the Authority has wanted to see the accumulated trend data, but that it will be corrected in the next report. There was some additional discussion, but the Authority members seemed comfortable with the report. Mr. Plakans noted for the record that legal fees were running under budget for 2010. At this point, Mr. Johnson motioned to accept the Financial Reports for April, May and June 2010. The motion was seconded by Mr. Johnson and approved unanimously.

Mr. Johnson motioned with a second by Mr. Plakans to approve the following bills and invoices for payment:

1. Payment to ARRO Consulting, Inc. in the amount of \$4,705.62.
2. Payment to Hartman, Underhill & Brubaker LLP in the amount of \$6,746.70.
3. Payment to Manheim Township Board of Commissioners in the amount of 128,015.93

Mr. Lombardo asked for any questions or discussion. There was a general question as to why the Authority was paying the Board of Commissioners. Mrs. Stratchko indicated that this payment was for the project. Mr. Flanagan questioned the interval of these payments and Mrs. Stratchko confirmed these would be quarterly payments to the Township. Without any further questions or discussion, the motion to pay the bills was approved unanimously.

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Under Old Business, Mr. Lombardo asked Mr. Kopp to provide an update on the bidding process and project. Mr. Kopp went over the bid results and addressed questions regarding the cost and contingencies of a project of this nature. Board members were very interested in the potential increase in costs for the water line project. As an informal itemization of costs was discussed, the project cost was informally estimated at \$4.265 million. Mr. Flanagan suggested that the Authority consider, at a point in the future, an examination of the current tapping fee and make any authorized increase due to new and increasing costs. Mr. Kopp understood the law to allow the Authority to increase tapping fees any time an improvement is made to the system or project. Mr. McCarty generally concurred. Mr. Kopp took more time to explain the basis and customary nature of project contingencies (normally around 15%) of the bid price and the nature of "classified" or "unclassified" aspects of the bid and contracts. There was also some general discussion about typical "change orders" the project could expect and the level and amount of "cost risk" in the project. Mr. Kopp explained that the unit pricing aspects of the bid are what will assist the Authority minimize major financial impacts to the Authority through the course of the project.

The Authority also discussed with Mr. Kopp the topic of "soft costs" and conceptual strategies to minimize them. Mr. Flanagan requested that Mrs. Stratchko add the current projects on the amount. Mr. Lombardo concurred and requested that Mrs. Stratchko add the budgeted amounts on the financial report, to improve oversight. Mrs. Stratchko agreed to do this. Mr. Kopp mentioned other aspects of the bid that should improve predictability and keep costs contained. The Authority agreed that Mrs. Stratchko and Mr. Kopp coordinate entry of the "soft costs" into a manner to better track the project. Mr. Lombardo indicated that once we have the costs and feel confident in the total, the Authority may need to meet and, even in a special meeting, to work on any refinement or adjustment to the Authority tapping fee.

Mr. Plakans questioned whether we could negotiate the bid prices at this point in time, especially since the economy has shifted and changed so much. Mr. McCarty indicated that in a public project, we cannot negotiate. The Authority can reject all bids, but it cannot negotiate.

The Authority turned its attention to the topic of the PPL land purchase for the pumping station. Mr. McCarty indicated that PPL has completed everything it needs to do to close on the fee simple sale. The sale is at the PA Public Utilities Commission for approval. He indicated the closing should be as soon as next Friday. There is some minor work to the deed document, but nothing major at this point in time. Mr. Flanagan questioned the status of the resolution Mr. McCarty hand delivered to the meeting. Mr. Rimer and Mr. McCarty indicated that it was ready for review and action at the pleasure of the Authority.

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The Authority had some general discussion as to the timing of all the final items to be completed and awarding the bid. There was also discussion as to the need for a special meeting or not to insure all of the components of the project were complete prior to awarding the bids. There was also discussion as to the benefits and risk of awarding the bids with contingencies. Mr. Rimer asked that if the Authority would like a special meeting, that it be scheduled now to allow for proper public notice. There was also discussion regarding the establishment of a subcommittee of the Authority that could implement the bid award and monitor the final steps toward construction.

Mr. Lombardo felt that a subcommittee would be very useful, but asked to clarify for the record that the award would be made on or before August 16 with the project going for about a year. Mr. Lombardo indicated that in his mind, the project really could get disruptive and we need to do things for the public. The Authority agreed the four work crew commitment, per Mr. Kopp, is very good in moving the project quickly to completion. Mr. Lombardo wanted to make sure that property owners will be notified of the disruptions and that website information and a summary of the project would be very useful too. He felt that the Authority needed to decide on the approach to this timing of the final items and the award.

Mr. Flanagan made a motion, which was seconded by Mr. Johnson to authorize the Authority President and Vice President to make final award of the water line construction project bid to the low bidder(s) as indicated in the report prepared by Mr. Kopp, contingent on the acquisition of the PPL property and conclusion of any Right-of-way or real estate issues outstanding. The motion was approved unanimously.

Mr. Flanagan made a motion, which was seconded by Mr. Johnson to authorize the Authority President and Treasurer to issue checks for payment to 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. This motion was approved unanimously.

Following the Authority action, Mr. Lombardo suggested that the Authority obtain listing or a report for "pending development" plans and projects to attempt to forecast future trends and tap in fees. The Authority members concurred informally and Mr. Rimer agreed to obtain this type of information for the Authority's future use.

Mr. Lombardo asked if there was any other business or correspondence. A summary report from ARRO regarding the project was presented in the meeting packet. Mr. McCarty addressed the Authority with a matter pertaining to the Township's new Weaver Road Park project. He indicated that the project calls for an extension of sewer and water services. Also, as part of the development with its road and storm water management systems, the Township is negotiating taking and swapping land for public improvements. Two landowners located at 2860 Weaver Road and 2868 Weaver Road are open to negotiations with the Township that include waiving tapping fees in exchange for transfer of land and/or easements. The land owners are open to trading

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their claim for elimination of the Authority's tapping fee, which is \$5,372.29. Mr. McCarty was tasked with determining the Authority's willingness to formally "waive" these fees for the Township so that the project may proceed and these property owners will be satisfied. Mr. Flanagan had a general question as to whether the swap would cause any other issues. Mr. McCarty felt confident that there would be none. There was general support for the proposal.

Mr. Lombardo asked if there was any other business for the Authority. There being no further business, on a motion by Mr. Flanagan, seconded by Mr. Johnson, the meeting was adjourned at 8:52 a.m. Motion carried unanimously.

The next scheduled meeting will be Friday, October 15, 2010 at 7:30 a.m.

Respectfully submitted,

Michael D. Rimer,
Recording Secretary