

MILLHEIM BOROUGH COUNCIL

225 EAST MAIN STREET

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(CENTRE COUNTY)

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REGULAR MEETING

September 11, 2012

President Alan Ilgen called the regular meeting of the Millheim Borough Council to order at 7:00 p.m. with the following persons in attendance: Marlene Corl, Alan Ilgen, Lauralee Snyder, Leslie Warriner, John R. Miller, III, Sharon Heckman, Glenn Ripka, Casey Gunsallus, Roy Rupert, John Claar, Jens Damgaard, Chris Gibbons, David Grazier, Dan Guss, Carl Rote and Barb Shaffer.

Absent: Ed Bowman and Kay Brown

CITIZEN'S INPUT:

The Ball Field Project was discussed as follows:

- John Claar plans to do the fencing tomorrow; seed, sod and do the final paving early to mid week.
- President Ilgen asked about the issue with the amount of infield mix needed. Mr. Claar explained that he was to salvage and reuse the existing infield mix but instead of the usable mix being 12-18 inches deep there was only 1-3 inches of usable mix. Mr. Claar is talking to Centre Region but he is not sure who is responsible for the cost of the additional infield mix.
- President Ilgen explained that a paved walkway should be included at the doorway to the utility room at the rear of the building.
- The Little League will do their work after Mr. Claar has completed his contract work.
- Glenn Ripka reported that the trees are down.
- The area will need to be better secured after the finish paving is completed to keep people from driving over the area until the pavement is set.
- A motion was made by Leslie Warriner and seconded by Marlene Corl to approve payment to John Claar for the invoice submitted in the amount of \$29,280.00. Motion carried.

Refinancing of the existing Water and Sewer Loans was discussed as follows:

- Chris Gibbons of Concord Public Finance and Bond Counsel, Jens Damgaard presented the results of the proposals requested to refinance the existing RUS loans and to renegotiate the Jersey Shore Bank Sewer Loan for Millheim Borough. The two lowest rates to refinance the RUS loans are: Fulton Bank at 2.83% fixed for 10 years with a variable rate cap of 6% and Mifflinburg Bank at 2.89% fixed for 10 years with a variable rate cap of 6%.
- Mr. Damgaard explained the procedure for refinancing. He also explained that Council must decide which bank proposal to accept and whether the savings should be taken up front or if the term of the loan should be shortened. Mr. Damgaard explained that Ordinance #248 would pledge the full faith taxing power of the Borough; that the General Obligation note would be for \$2,170,000 and the closing date for the documents would be October 15, 2012. He will be working with our Solicitor through the state review process for this refinance.
- Chris Gibbons explained about the renegotiation of the 2007 sewer loan with Jersey Shore Bank, which has a current fixed rate of 4%. Jersey Shore Bank is offering to renegotiate this loan at a rate of 2.85% and would extend the term for two years.
- A lengthy discussion took place about the benefits of shortening the term of the loan with Mayor Snyder and Leslie Warriner in favor of this option but President Ilgen agrees this makes sense but with no buffer in the sewer fund he favors taking the savings up front. The suggestion was made to ask Mifflinburg Bank to match the slightly lower rate proposed by Fulton Bank. The Secretary pointed out that the Borough has already received, through unsolicited donations, the amount of money from the local Mifflinburg Bank that would be saved by going with Fulton Bank. She also explained that by taking the savings up front the Borough could then have funds available in both the water and the sewer funds in case of an emergency. Then because there is no penalty for prepayment of the loan, Council could still make the commitment to repay the loan early and additional savings would occur. The Solicitor explained that if this type of negotiating is done after a proposal is requested and received the Borough may not receive proposals in the future. Carl Rote stated that he wants his taxes to stay with the local Mifflinburg Bank. After a lengthy discussion, Marlene Corl made a motion seconded by Alan Ilgen to adopt Ordinance #248 ... Authorizing and Securing two General Obligation Notes in the Aggregate Principal Amount of \$2,170,000 and inserting on Page 3 Mifflinburg Bank as proposed with option two taking the savings up front. Roll call vote as follows: Marlene Corl, yes; Alan Ilgen, yes; Leslie Warriner, no; Kay Brown, absent; Ed Bowman, absent. Result of vote - 2 votes yes; 1 vote no; 2 members were absent. Motion carried. When asked by Mr. Damgaard, Mayor Snyder explained she will respect the majority vote and will not use her veto power on this issue.
- A motion was made by Leslie Warriner and seconded by Marlene Corl to adopt Resolution #2012-6 to renegotiate the Jersey Shore Loan to amend the note to reduce the initial fixed rate from 4.10% to 2.85% and extend the fixed rate period from December 1, 2017 to December 1, 2019. Motion carried.
- Mr. Damgaard explained that for the state review process a Self Liquidating Debt Report must be completed. Since Uni-Tec prepared a similar report for the PennVest Waterline Project, they have been asked to submit a proposal to prepare this report. The proposal submitted by Uni-Tec is for a total cost of \$1,500 to prepare a Self Liquidating Debt Report for Water and

Sewer. This fee has been included in the proposal from Concord Public Finance. A motion was made by Leslie Warriner and seconded by Marlene Corl to authorize Uni-Tec to prepare the Self Liquidating Debt Report for Water and Sewer. Motion carried.

Dan Guss reviewed and discussed his Engineer's Report with Council on the Water Line Replacement Project as follows:

- A motion was made by Leslie Warriner and seconded by Marlene Corl to approve payment of the invoice submitted by Uni-Tec in the amount of \$10,500. Motion carried.
- A motion was made by Leslie Warriner and seconded by Marlene Corl to approve payment of Pay Application #4 to D.C. Ventre in the amount of \$8,535.70. Motion carried.
- Mr. Guss explained the project is about a week behind schedule. He also explained that since construction is over the contracted 120 days there will be additional engineering costs for four to five weeks and for the PennDot Inspector who is also on the job longer than expected. A motion was made by Leslie Warriner and seconded by Marlene Corl to approve transferring \$45,000 from the Contingency Fund to item 5 "engineering" and item 10 "other". Motion carried.
- Change Order #4 includes \$10,800 to replace the under drain under the curb on Rt. 45. This replaces a PennDot drain damaged by trench excavation because it was in a difficult spot. A motion was made by Leslie Warriner and seconded by Marlene Corl to approve Change Order #4 in the amount of \$10,800 and the contract time extension already approved by 30 days. Motion carried.
- Mr. Guss reported that according to Bob Jacobs of Centre County Planning the EPA approval of the \$250,000 STAG grant transfer to Millheim Borough is slower than anticipated but still on target. The Secretary reported that according to Mr. Jacobs, the EPA will allow the PennVest project as matching funds because they consider this interconnect to be an extension of the waterline replacement project.
- A motion was made by Leslie Warriner and seconded by Marlene Corl to approve for payment the invoice submitted for the PennDot Inspector in the amount of \$4,384.36. Motion carried.
- Since Ms. Warriner questioned the accuracy of the amount presented for the PennVest Pay Request prepared by Uni-Tec, a motion was made by Leslie Warriner and seconded by Marlene Corl to approve submission of PennVest Pay Request #5 in an amount to be determined after review of previous submissions. Motion carried.
- Ms. Warriner raised concerns about the dirt pile on Hillcrest Avenue. She asked if D.C. Ventre would remove the fill but Mr. Guss explained that they may not want the liability and may be sued because the property owner may not allow the fill to be removed. After much discussion about the Borough's responsibility, the Solicitor explained that the Borough has no jurisdiction to remove this fill from someone else's property. Mr. Guss agreed that this is the property owner's responsibility not the Borough's concern.

CODE ENFORCEMENT REPORT:

Glenn Ripka reviewed with Council the written report he submitted and discussed the following:

- Nicholas Hettinger has paid half of his fine to the District Magistrate for the garbage the Borough removed from his property.
- To date nothing has been received from the Magistrate about the Mauro Ortiz citation but someone trimmed the front of the building.
- Beth and Buddy Cowher will be requesting approval from the HARB to put vinyl siding from the balcony to the roof on the front of the Millheim Hotel. The HARB will make a recommendation at the October meeting.

HARB REPORT: None

EMPLOYEE REPORTS:

Casey Gunsallus reviewed with Council the written report he submitted. He spoke to LB Water and they will get him information on classes for their products that the Borough uses. Mr. Gunsallus explained that the meters currently used by the Borough are being phased out in two or three years. The new meters are \$3 more than the meters currently used but they register all water used and will comply with the new laws. Council unanimously agreed that he should begin ordering the new meters as needed.

Roy Rupert explained that he met with Mr. Stephens about the Source Water Management Plan and he will be dropping off paperwork. He reported that the water plant shows a usage of 12-1/4 gal. at night and this is the lowest it has ever been.

President Ilgen set a Council/Employee meeting for Friday morning, September 28, 2012 at 8:15 a.m. Budget will also be discussed at this meeting.

PLANNING COMMISSION REPORT: None

OLD ACTION:

President Ilgen explained that the Solicitor had prepared a "Draft" License Agreement for Use of Road for Edward and Barbara Shaffer. Mayor Snyder recommended that the following language be added at the end of Paragraph 8: "...by the Licensee or any person acting on behalf of the Licensee for property damage or personal injury." The Road width should also be changed from 12 feet to 10 feet. Mayor Snyder recommended that the Borough would want to do a letter about the License Agreement to Charles Porter and John Thompson. A motion was made by Leslie Warriner and seconded by Marlene Corl to approve the License Agreement for Use of Road with the change of road width from 12 to 10 feet and the addition to Section 8 as recommended by Mayor Snyder.

Motion carried. The Solicitor will make the changes and send the Agreement to Mr. & Mrs. Shaffer. He will prepare Agreements for Mr. Porter and Mr. Thompson and the Secretary will prepare the letter and send these two Agreements.

The Secretary reported that some door prizes have been received for the Borough's Association Dinner/Meeting in October.

NEW ACTION:

A motion was made by Leslie Warriner and seconded by Marlene Corl to set Trick-or-Treat night for October 31, 2012 from 6-8 p.m. Motion carried.

A member is needed for the Planning Commission. There will not be a meeting in September.

President Ilgen explained that it is time to start working on the budget and more input is necessary from the employees. The following dates were set: September 28, 2012 at 8:15 a.m. with an Executive Session to be held after the Budget meeting; Friday, October 12, 2012 at 8:15 a.m. and Thursday, October 18 at 6:00 p.m.

Ms. Warriner explained that she would like to discuss adding the International Building Code Section J to the Borough building requirements. The Secretary was instructed to prepare copies for Council to review and then have it sent to the Planning Commission for their input and recommendation.

COMMITTEE REPORTS:

President Ilgen reported on the following:

- There have been major changes on both Library Boards, so at this point no one seems to know what is happening with the plan to renovate the gymnasium area. The Solicitor explained about the reversionary clause that only allows the Borough building to be used for municipal purposes.
- The Lion's Club donated trees to Penn Township because they didn't hear from the Borough about their offer to donate trees for Fountain Park.

A motion was made by Leslie Warriner and seconded by Marlene Corl to approve the minutes from the August 14 and August 22, 2012 meetings as presented. Motion carried.

A motion was made by Leslie Warriner and seconded by Marlene Corl to approve the August budget as presented. Motion carried.

SECRETARY'S REPORT:

A written report submitted was reviewed. The Secretary reported that 15,000 gallons of water was used at the Borough building due to watering. She was instructed to review the ball field project specs to determine who is responsible for watering the grass.

The next Council meeting will be the Budget/Employee Meeting on September 28, 2012 at 8:15 a.m.

A motion was made by Leslie Warriner and seconded by Marlene Corl to adjourn the meeting at 10:00 p.m. Motion carried.

Sharon A. Heckman

Sharon A. Heckman, Secretary-Treasurer