

WORKSHOP MEETING MINUTES
October 14, 2013

The Workshop Meeting of the Lehigh County Authority was called to order at 12:18 p.m., on Monday, October 14, 2013, Vice Chairman Tom Muller presiding. Other Members present at the commencement of the meeting were: Richard Bohner, Emrich Stellar, and Norma Cusick. Authority Staff present were: Aurel Arndt, Liesel Adam, Frank Leist, Bradford Landon, Ed Bielarski, Dan Standish, Pat Mandes, and Cristin Keppel.

Mike Spadafora from D'Huy Engineering was also in attendance.

Agenda Review

Mr. Arndt stated there would be two additional action items and one Executive Session regarding personnel.

PMRS Pension Plan Agreement (Approval)

Mr. Arndt reviewed the previously distributed memorandum, noting that the Pennsylvania Municipal Retirement System (PMRS) will be filing an application to the Internal Revenue Service (IRS) for a favorable determination letter to become a tax-qualified pension plan provider. This PMRS process requires all of its contracts to be reviewed and options selected by PMRS members to conform to IRS regulations and PMRS policy. Several options specific to the Authority's plan were presented in a PMRS form with the elections specified for submission back to PMRS to finalize the Authority's contract. He reviewed outlined recommendations for compensation and excess interest. In the past, the Authority has elected to distribute excess interest on an as-needed basis, with each distribution discussed and decided independently of prior decisions. However, since this will no longer be possible, it is recommended that the following elections be made, which mirror past decisions of the Authority Board of Directors: 1. Excess Interest shall be allocated between the Retired Member's Reserve Account, Municipal Account and Member's Account proportionately based on the individual assets credited to each account; 2. The amount (from number 1 above) that is allocated to the Member's Account shall be credited in an equal percentage to each Member based on the assets in each Member's Account; and 3. The amount (from number 1 above) that is allocated to the Retired Member's Reserve Account shall be credited so as to provide an equal percentage benefit increase to each Annuitant and Survivor Annuitant.

On a motion by Mr. Stellar, seconded by Mr. Bohner, the Board unanimously approved the PMRS Pension Plan Agreement (4-0).

Post Issuance Compliance Policy (Approval)

Mr. Landon explained that Donna Kreiser, bond counsel with McNees Wallace & Nurick, who represented the Authority with the recent bond issue for the Allentown Concession transaction, has prepared a Post Issuance Compliance Policy. This policy is recommended by the IRS to assure compliance with financing disclosure and tax requirements and is necessary for the Authority to timely file its IRS 8038 form with the recent financing as an indication that the Authority does in fact have such a policy. Mr. Landon noted the Authority did a simplified versions specifically for the Build America Bonds in 2009 as well, but this recommended policy is more detailed and would apply to all Authority financings; a Resolution to adopt such a policy was recommended. Some discussion followed.

On a motion from Mr. Stellar, seconded by Ms. Cusick, the Board unanimously approved Resolution 10-2013-1 (4-0).

Replacement of Solids Building Roof at Wastewater Treatment Plant (Approval)

Ms. Mandes referred to the attached memorandum and presentation regarding the replacement of the Solids Building roof. She explained that the replacement of the Solids Building roof at the Wastewater Treatment Plant in Upper Macungie Township (WTP) is part of the WTP capital plan for 2013 as a carryover from 2012. The roof is the original roof constructed in 1988 and is the only roof at the WTP that has not been replaced. The roof has been in need of replacement for the past several years and has been delayed due to budget constraints and more pressing issues. She reviewed the problems the leaking roof has

caused and explained the project consists of removal of the roof and replacement with a Garland Modified Bituminous built up roof system. She reviewed the details of the bid summary provided.

Mr. Spadafora, from D'Huy Engineering, explained that this is a unique situation because of the complex structure of the roof. He noted the replacement is much more detailed than most and will take a bit longer to carry out because of the special circumstances. He also noted that they have worked with the roof contractor selected in the past. Extensive discussion followed.

On a motion from Mr. Bohner, seconded by Ms. Cusick, the Board unanimously approved a Professional Services Authorization for D'Huy Engineering for Construction Administration Services (\$12,500) and a Contract Award to Munn Roofing (\$519,400) (4-0).

Allentown Division – Interim Rules and Regulations; §3 for Water Service, and §7 for Sewerage Service (Approval)

Ms. Adam explained that the collections process was about to occur for the Allentown Division. Due to the transition of all Allentown water and sewer customers into the Authority's system on August 8, 2013, with such customer's being accustomed to a different process that was used by the City, it was recommended that an Interim Collections Procedure that would span the first six months of the Authority's operation of the Allentown systems. This system would be similar to what the City customers are used to and would slowly transition into the Authority's practices. Some discussion followed.

On a motion from Mr. Bohner, seconded by Ms. Cusick, the Board unanimously approved Interim Rules and Regulations to modify §3 of the Rules and Regulations for Water Service and §7 of the Rules and Regulations for Sewerage Service, respectively, for the Allentown Division. (4-0).

Employee Off-time Donation Policy (Approval)

Ms. Adam noted that the distributed policy is a result of a request from former City personnel. There was a similar donation policy in the City because the SEIU employees do not have short-term or long-term disability. Because of a current situation, the Authority has drafted the policy applicable to all employees who wish to donate time to an employee in need. Some discussion followed.

On a motion from Ms. Cusick, seconded by Mr. Stellar, the Board unanimously approved the Employee Off-time Donation Policy (4-0).

Executive Session

The Vice Chairman called for an Executive Session at 1:09 p.m. to discuss personnel.

The Session ended at 1:23 p.m.

There being no further business, the Vice Chairman adjourned the meeting at 1:24 p.m.

Richard H. Bohner
Secretary