

Lower Heidelberg Township Board of Supervisors
Minutes – Virtual Meeting at 7:00 p.m. EST
May 12, 2021 Workshop

The Lower Heidelberg Township Board of Supervisors held their May Workshop meeting remotely through the Zoom Platform on the above date. The May Workshop meeting was duly advertised to be held electronically through the Zoom application via telephone and the internet. Present were Chairperson Deborah P. Scull, Vice-Chairwoman Cheryl Johnson, and Member Michael Keltz, Township Solicitor Andy Bellwoar, Township Engineer Ryan Rhode (KE), Road Foreman Matt Clay, and Township Manager/Secretary/Treasurer Pamela J. Stevens. Also present were guests Jaime Schlesinger, David Kurtz and Paul Prutzman.

Mrs. Scull opened the Workshop meeting at 7:02 p.m. and she announced that an Executive Session was held on April 28, 2012 and on May 12, 2021 to discuss personnel matters.

Public Comment: Jaime Schlesinger was present to have the Board discuss the final amount, everything still looks good for the Bond Market, and he reviewed the charts for the interest rates. The rates are fairly level which is due to the AA- rating for the LHT. Overall it is a relatively calm market now. The only debt that the Township has is just the one set of 2016 Bonds. The current balance is about \$5.2 million. Mr. Schlesinger pointed out to consider during the Bond refinancing that the Township can borrow \$10 million or a bit lower makes sense as the interest rates are so low and the call back is again in five years. With this in mind to generate the lowest annual payment, the \$10 million seems adequate to complete the projects that the Township has in mind in the next 3 years. He just completed the refinancing for another similar municipality, and the bond sales went very well. His goal is to get the Township to the \$10 million, with the payments are just around \$595,000 annually and for 24 years. The annual payment will be level for the 24 years. He reviewed the Timeline and he will request the advertisement of the parameter ordinance at the regular May Board meeting. They will sell the bonds in early June per the schedule. Mr. Bellwoar stated that with the May 17th vote what is the Board locked into and Mr. Schlesinger said the locking is the “concept” and the Township is approving the refinancing, but if something happens, the Township does not have to move forward.

The refinancing is a wrap-around where the existing debt and the new money are combined. The term would be to 2044 and annual payment at this time is around \$600,000. Annual interest rate 1.77%, and since these are municipal bonds, he must file with DCED. Once the Bonds are sold, we will see the final new money around just under \$5 mil.

Mr. Prutzman asked in the previous presentation the interest rates were different and different times. Mr. Schlesinger answered that the Yield varies, but the 1.77% is the average and the investors do get a higher yield since the bond is paid out over 24 years. Mr. Prutzman asked about the \$3 million seems to be better than the \$5 million, and he is wondering why the Supervisors are proceeding with the \$5 million. Mr. Schlesinger said the interest rates are historically low and he is concerned that the interest rates may not be as low in the future whereby borrowing in the future may cost the Township more money if they borrow less now. Mr. Prutzman asked what is the scope of work to spend the \$5 million? Mr. Rhode answered that he will be discussing the projects shortly, but he wanted to clarify the timeline. Mr. Schlesinger stated that the proceeds should be spent three years from the Bond settlement. At the time of issuance there is a reasonable expectation that the money will be spent within the 3 years.

Mr. Rhode summarized that the projects and the borrowing periods would be June 2021 to June 2022, June 2022 to June 2023, June 2023 to June 2024. Mr. Rhode is concerned about the bidding timing and he prefers to bid in the Winter for the Spring construction. Mr. Bellwoar asked about the Negative Arbitrage and the Township and Mr. Schlesinger/PFM will monitor the expenditures of the New Bond.

Mr. Prutzman asked if Mr. Schlesinger could analyze to shorten to 20 years from 24 years. Mr. Schlesinger answered off the top of his head he estimates \$60,000 to \$75,000 extra per year \$590,000 vs \$670,000.

Mr. Bellwoar asked if Mr. Schlesinger needed to get a motion tonight but he does not. He needs the action at the May 17th Meeting. Mr. Schlesinger will follow-up with any additional questions.

Mr. Rhode started on the Bridge Construction Cost Estimate and unfortunately the Township has numerous bridges. The bridges are inspected every 6 months, or annually and all inspections are paid out of the Liquid Fuels. Mr. Rhode reviewed the Bridge Inspection Reports and the recommended repairs as well as guide rail and signage identified in the inspection reports. His spreadsheet identifies the yellow color are the focus for the 3 year Bond Period. Mr. Rhode summarized the bridges: Wooldtown over Spring Creek is not a 3 year priority, Sweitzer Road over Cacoosing Creek is fine, Point Rd over Manor Creek needs some minor repairs, Connecticut over Cacoosing is in good shape and the items in report are being monitored, Russell over Spring needs minor repairs to the joints, Heidelberg Rd over Spring Creek minor repairs. The One hump arch bridge carrying Heidelberg over Spring just downstream from Blue Marsh Dam is in poor condition, and he wants to at some point discuss closing the Bridge but would need a cul-de-sac and his best guess is \$250,000 for the closure and cul-de-sac. Mr. Clay stated that the 2 residents hardly use the bridge and it will be an inconvenience, but the cul-de-sac may not be worthwhile for liquid fuels. Now that the bridge has been reduced to a 5 ton limit, for liability reasons, the Township needs to remove it. Mr. Rhode stated that the Gaul Road Bridge is the priority bridge to replace and is in the Bond project list. Wooldtown over Hospital Creek is a sister bridge to Gaul Road and this bridge is weight restricted and once the box beams go they fail quickly. Palm Rd over Hospital Creek has had some repairs and just needs minor repairs now. Ms. Stevens asked if the consultant costs are included in the Bridge costs and Mr. Rhode stated they are included.

Mr. Rhode went next into the Construction Costs for the Road Projects, overlays, base repair, reconstruction are construction. This list includes rural roads and Penn Werner area roads which were not included in the previous Bond. This side of the Township has not had repairs, so they cost more now since they need to be rehabilitated instead of just maintenance projects. The scope of work is very involved in the developments due to curbing and driveways. He summarized that many of the streets in this west side of the Township are in pretty poor shape. Curbing is the resident's responsibility and the Township would pay for the curbing and assess the cost to the property owners. Mr. Rhode stated the storm sewer system is in poor shape and needs to be lined or spot repairs. Mr. Clay summarized the replacement of the inlet grates for safety reasons. Mr. Rhode stated that several of the roads need to be surveyed due to their severe crown, varying widths and the presence of curb or no curb. Water Road which is the main road to the Water Authority System and Building is also on the list but possibly consider turning it over to the Authority. The total costs for the Road Construction \$1,361,560.

Mr. Rhode continued that the Maintenance Costs piggy back on what was started several years ago. Some of the roads need another oil and chip, and the future goal is to have a construction project and a maintenance project each year. Cape Seal is a 2 step process and was not well received in Green Valley. Mr. Rhode expanded on some of the other roads not in Green Valley, and then discussed the Autumn Ridge and Saddlebrook along with some other rural roads. Mr. Rhode stated that the Township must continue to do oil and chip on a regular basis. These maintenance projects are very streamlined projects and easy to bid. Ms. Stevens pointed out that Papermill Road received the Ultra-Thin wearing course and per Mr. Clay, the Ultra-Thin wearing course is holding up. Mr. Clay said that the older sections of the developments possibly should have ultra-thin and then some of the newer section may qualify for the cape seal. Cracks reflect through in some cases and the Road Quality is key to decide cape seal vs. ultra-thin wearing course. Mrs. Scull stated these projects have not been neglected or ignored by the Township, but were not able to be done because there were no tax increases, and now we need to plan ahead, and we should raise taxes in very small increments to address these infrastructure items. Mr. Rhode said paving materials and options have changed and maintaining the bridges and residential streets is critical to stay on top of so that the more expensive reconstruction is not necessary. Mr. Keltz stated that the previous bond did not have enough money borrowed. Mr. Clay stated that the materials have changed so much that within 5 years you have to go back to seal coat the fairly new paving. Ms. Stevens pointed out that the asphalt cement oil is not as high percentage in the paving mixes anymore, and all agreed that is why there are problems.

Mr. Bellwoar stated the Motion concerning the Termination of Officer Sellers, and Mrs. Scull made the motion and Mr. Keltz seconded as follows **On Motion** Mrs. Scull moved and Mr. Keltz seconded for the Township to terminate the employment of Officer John Sellers, effective May 13 2021 at midnight. Roll Call Mrs. Scull – Yes, Mrs. Johnson – Yes, and Mr. Keltz - Yes. Motion passed unanimously.

Mr. Rhode discussed the condition of the Grande Basin behind Stella properties, and gave a background on the Basin that it initially was a sediment basin which is then converted to the post construction basin. Then the basin was converted and the basin did not infiltrate and then Grande had the contractor back again but the basin is still not infiltrating. Ryan has been in conversation with Kirk from Grande but the position from Kirk is that Grande will not do anymore on the Basin. Ryan then talked with Mario and he requested the BCCD Inspection report. This basin still holds water and there are now fish in the basin. The BCCD inspection gave them 30 days to resolve and the basin issues have not been addressed. Mr. Cepeda has taken over some of Mr. Barnett duties and it appears to include this Basin. Mr. Rhode has involved the BCCD since he believes that the basin will not infiltrate and McCarthy needs to redesign and possibly an underdrain is required as well. Grande needs to meet current PA DEP criteria, but he is certain the BCCD will work with Grande. He believes that all are waiting for the Township to push the issue to resolve the basin matter. He believes that Grande is not of the opinion to resolve the Basin matter. The Township needs to be involved and he believes that Grande wants to close out the Project. The Township should push towards a resolution for the Residents. The Basin is still under Escrow and the Basin is still under the PA DEP permit. Mr. Bellwoar needs to review the Developers Agreement and Stormwater Agreement and work with Mr. Rhode and to coordinate an Administrative effort to push towards a resolution, and if any action is needed the Board can vote at their Monday May 17th Meeting.

Public Comment – none

Mrs. Johnson motion to adjourn and Mr. Keltz seconded for an 8:35 p.m. adjournment

Respectively Submitted
Pamela J. Stevens

Approved BOS 6.21.21