

**BELLEFONTE BOROUGH  
AUTHORITY  
MEETING MINUTES  
February 14, 2018 - 6:00 p. m.  
236 West Lamb Street, Bellefonte, PA 16823  
[www.bellefonte.net](http://www.bellefonte.net)**

**CALL TO ORDER:**

The meeting of the February 14, 2018 Bellefonte Borough Authority was called to order in the Bellefonte Borough Municipal Building at 6:00 p. m.

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

**AUTHORITY MEMBERS PRESENT:**

**PRESENT:** Mr. Frank (Buddy) Halderman  
Mr. Brian Walker  
Mr. Joe Falcone  
Mr. Joe Beigle (via teleconference)

**EXCUSED:** Mr. Greg Brown  
Mr. Doug Johnson

**STAFF:** Mr. Ralph Stewart  
Mr. Dave Klinefelter  
Mr. Bob Cook  
Mr. Bob Decker, Nittany Engineering  
Mr. Eric Lundy, Nittany Engineering

**CITIZENS:** Mr. Don Gaetano, The Hartman Group  
Mr. Greg Wendt, Northwest Savings Bank

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**MINUTES:**

**Mr. Walker moved to approve the January 3, 2018 meeting minutes;  
Mr. Beigle seconded the motion;  
Motion carried.**

**ORAL:**

Don Gaetano from The Hartman Agency spoke about the Builder's Risk Insurance regarding the Waste Water Treatment Plan (hereinafter referred to as WWTP) bid project. He gave an overview of the insurance. The risk associated with the property and the project is managed through either risk financing or risk management of the actual project which the general contractor will be responsible for. With the Builder's Risk will insure the value of the property that is going to be install, while it is being installed and in transit under a Builder's Risk Form. To keep it simple, the insurer that insures the rest of the Borough property would do this policy. The process is relatively simple. A project start date would be needed. A total completed value would be needed also. With these variables, it is easy to put together a program. The rates are not terribly expensive - .15 per \$100 to .25 per \$100. Mr. Stewart clarified that the Hartman Group is suggesting that the Borough Authority carry the insurance on the project instead of the contractor. Mr. Gaetano reiterated that with the Borough being financially vested in this project, they should hold the policy should something go wrong.

Mr. Halderman and Mr. Decker stated that the Authority would not take ownership of the equipment until completion and acceptance. He inquired how the insurance would work in that way. Whoever has the interest in the property should be insuring the property. The contractor is responsible for their equipment, and storage and maintenance of it, and then the Borough Authority accepts it and will need to insure it as another step.

The Builder's Risk is a new concept to members of the Authority. The need for this type of policy was questioned by members. No action was taken to transfer the insurance requirement from the contractor to the Authority.

Greg Wendt from Northwest Savings Bank addressed the Authority regarding the financing and cost increases for the WWTP project. He presented a perspective from Northwest Bank's side and give some points to think about. The combined loans were approved \$6.6 million. That did include some contingencies and inflations costs. With the latest numbers, the project cost is up to \$8,379,000 with the RAS piping project and the volute water press included in that. Given that, the loan amount is short.

Discussion was held with Mr. Stewart and Mr. Wendt regarding financing options. Mr. Wendt wanted to share some points with the Authority. The two loans currently set up have favorable interest rates. Mr. Wendt recommended that the \$6.6 million remain set where the rates are and potentially look at a second set of loans to cover the budget overage. Structurally they can be set up to match term with both loans. Interest rates have gone up a little bit. Leaving those fixed rates in place is a good thing.

The corporate tax rate has been lowered as well. This means that when the bank is calculating a tax-free interest rate, the percentage rate used also changes. Rates have increased a full percent higher. Interest only is extended out to August 11, 2019. This should still give enough time for the project to get done. A little extra time can be worked in with the new loan.

Other scenarios were run for the \$1 million overage. As far as utility rates, it would affect them for the short term. By 2023 there will be positive \$62,000 cash flow which could be and kept to build up through the life of the loan. Rates can be reduced down the road as well.

Mr. Stewart indicated that there the Authority could consider using a portion of savings.

Budget cuts were discussed. There is a tank that may be able to be put off. There is a credit of \$36,000 if that item plus all the extra that goes with it, are eliminated. There is some electrical that comes with that. This is something to consider. That is concrete, a tank and a couple of mixers. For staff, there is a concern about capacity.

Mr. Halderman wanted to leave it and go with the contract as bid. The expanded budget will need to be discussed with Spring Benner Walker.

Mr. Decker said he would write a letter and explain why the bids came in high. Concrete is where one of the biggest expenses is. There is a lot of concrete on this project. He can demonstrate this in black and white. Rebar was \$700,000 alone.

A motion was requested to approve the bid award.

General Contractor bid, \$5,964,979.

**Mr. Falcone moved to award the bid to the lowest bidder (G. M. McCrossin, Inc.) in the amount of \$5,964,979.00;  
Mr. Walker seconded the motion;  
Motion carried.**

Electrical bid, \$802,893.

**Mr. Falcone moved to award the electrical contract to Robert P. Lepley Electrical Contractor, Inc. in the amount of \$802,893.  
Mr. Walker seconded the motion;  
Motion carried.**

### **COMMUNICATIONS - WRITTEN:**

None.

### **FINANCE COMMITTEE REPORT:**

Finance report – Budget v. Actual  
\$139,000 revenue, \$105,000 expense, and \$35,000 net income.

Waste Water - \$150,000 to \$9.9 million, expense \$115,000. Expenses are proportionate to totals.

## **ENGINEER'S REPORT – WATER:**

### **Engineer's Report – Water**

Last week Dave dropped a plan off for Kenlee Drive Apartments. Metering is proposed there. A comment letter will be ready by the end of the day Thursday. Perhaps standards can be discussed later in New Business. It may make things easier.

The Pump Two motor failure at the Corning Pump House was discussed briefly. The inspector has some information on file regarding to the motors. There is nothing that appears to be a smoking gun other than it did not look like the motor leads were extended and if they were, staff was not notified of this. It shows what the Borough did to watch over the construction. New bearings were put in. Now Pump One has a motor issue. It will be fixed by the end of the week.

### **Engineer's Report – Sewer**

McCrossin will be notified of the bid award. As far as notifying Spring Benner Walker, Mr. Decker will send a letter and explain the overruns in the letter. Pennvest has rates that are pretty good. Something to just consider. He ran the numbers and presented to Mr. Stewart to review.

Belt thickener – there is a payout coming and there will be a change order, but it is a net zero change order.

Bulk water sales January – 17,100 gallons.

UV service tech found a damaged circuit board on one of the UV control panels in December. January 5 the Conlime-Sanderson rep conducted a start up with the gravity belt thickener. One of the rolls still needs to be replaced. January 31 the rep delivered and assisted McCrossin with installing the new roll and then conducted a second start up of the thickener. January 19 Boiler 1 was alarmed. A damaged circuit board was the issue. January 24 testified at the biosolids hearing in Harrisburg. January 31 submitted the 2017 sludge EDMR to the EPA. February 2 submitted the Biosolids Report to Pa DEP.

Frozen pipes and water and sewer breaks occurred in January. Project for the summer include: \$25,000 to replace 800 feet of water line on Monroe Street and 500 feet on Benner Avenue. It needs to be replaced as it is 2 inch galvanized. C900 PVC 6 inch is used for replacement.

The Corning line is using more water and the leak needs to be found. Nothing has been found yet. Amberleigh had a few leaks. The curb boxes on the customer side are not tightened down. There may be a large leak at Summit Park.

**OLD BUSINESS:**

Review and consideration of WWTP Project Bid

Daily Water Withdrawal Report – January 2018

Water report February 2018

WWTP Report February 2018

Mr. Stewart talked about the Small Water System grant. The deadline is the end of this month. The Borough has applied a few times before and nothing was awarded. It is one of those that many put in for, but the funds are limited. Another application can be put in for \$200,000- \$300,000 as there is a local match to address. If this sounds reasonable, a resolution needs to be approved in principal. The match is 15%.

**Mr. Beigle moved to approve the resolution for the grant;  
Mr. Walker second the motion;  
Motion carried.**

**NEW BUSINESS:**

**Volunteer Applications/Resume for Candidates for Authority Vacancy**

Council does appointment. Applications were completed. The Authority can consider a recommendation to Council. Mr. Halderman thought that either candidate would be a good fit. Other members felt the same way.

**ADJOURNMENT:**

**Mr. Falcone moved to adjourn;  
Mr. Walker seconded;  
Motion carried.**

**Meeting adjourned at 7:22 p.m.**

**The Authority met in Executive Session following the meeting.**

**Executive Session – Legal**