

COMMISSIONERS' MEETING MINUTES
NOVEMBER 24, 2010

Commissioner Chairman Rodney D. Ruddock called the regular meeting of the Indiana County Commissioners to order at 10:30 a.m. in the Commissioners' Hearing Room.

ROLL CALL

Chairman Rodney D. Ruddock, present Commissioner David S. Frick, present
Commissioner Patricia A. Evanko, present

Also in attendance were Solicitor Michael T. Clark, Chief Clerk Robin Maryai and others. Members of the news media present were Randy Wells, Jared Stout and Ashley Pribicko.

PLEDGE OF ALLEGIANCE

Commissioner Ruddock led those present in reciting the Pledge of Allegiance to the American Flag.

APPROVE MINUTES...NOVEMBER 10, 2010

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve the minutes of November 10, 2010 meeting as received.

PUBLIC COMMENT

There was no public comment.

PROCLAMATION...NATIONAL DAY OF SERVICE AND REMEMBRANCE

After a proclamation was read by Mr. Frick, a motion was made, seconded by Ms. Evanko and unanimously carried to recognize the efforts from the National Day of Service and Remembrance. Dr. Bonnie Dunlap from the Department of Human Service was present and asked that five students from Homer Center School District be recognize and thank these students for their outstanding volunteer commitment and they are: Amanda McCaulley, Corinna Miller, Chrissy Mumau, Katelyn Miller and Marc Kovalchik. They completed 9 hours and 11 minutes of service between September 11th and November 22nd, 2010.

HAZARD MATERIALS EMERGENCY PLANNING GRANT FY 2010

At the request of Tom Stutzman, Emergency Management Agency, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried accept additional funding for the Hazardous Materials Emergency Preparedness Training funds for Federal Fiscal Year 2010 in the amount of \$3,465.00. The new amount allocated to Indiana County is now \$14,215.00.

2011 HAZARD MITIGATION PLAN UPDATE PROJECT

At the request of Tom Stutzman, Emergency Management Agency, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve the 2011 Hazard Mitigation Plan Update Project. The purpose of the project will outline how EMA can mitigate property loss and damage before it occurs. His office will be soliciting the assistance of all 38 municipalities in the county to help develop the plan. PEMA will be providing a consultant to

work with EMA and Mr. Byron Stauffer from the Office of Planning & Development to complete this plan at no cost to the County.

CHANGE ORDERS...PENN WORKS CONTRACT/BLAIRSVILLE SEWAGE TREATMENT PLANT EXPANSION

At the request of the Office of Planning and Development, the Blairsville Municipal Authority and Bankson Engineers, a motion was made by Mr. Frick, Seconded by Ms. Evanko and unanimously carried to approve Change Order #3 for the electrical contract with Bronder Technical Services, Inc. The change order will increase the contract amount by \$10,395.00 miscellaneous additional work requested. The revised contract amount will be \$1,415,200.00. All project costs are being funded by a combination of funding that includes a Penn Work Grant through Indiana County and Penn Vest funding through the Blairsville Municipal Authority.

At the request of the Office of Planning and Development, the Blairsville Municipal Authority and Bankson Engineers recommended that time only Change Orders be approved for the Blairsville Sewage Treatment Plant Expansion Project as outlined below. The time extensions are required due to unforeseen delays in mechanical and electrical equipment procurement and deliveries arising during the course of the work.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve Change Order #4 to extend the contract deadline date from December 20, 2010 to June 1, 2010 for the Contract 09-2 General/Mechanical for Galway Bay Corporation of Mount Braddock, PA.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve Change Order #1 to extend the contract deadline date from December 20, 2010 to June 1, 2011 for the Contract 09-3 HVAC for Marc-Service Inc. of Winber, PA.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve Change Order #4 to extend the contract deadline date from December 20, 2010 to June 1, 2010 for the Contract 09-4 Electrical for Bronder Technical Services of Prospect, PA.

CONTRACT AWARD...LEAD BASED PAINT SERVICES

At the request of the Office of Planning and Development, a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to enter into a contract agreement with DK Environmental of Johnstown, PA to provide Lead Based Paint Services for the County's Housing Rehabilitation Programs. The Lead Based Paint Services including all services needed to comply with HUD's Lead Based Paint regulations for the CDBG and HOME programs that fund the County's housing programs. The cost of services will be provided as outlined in the Scope of Work. The contract will be effective until December 31, 2013.

CONTRACT ADJUSTMENTS...CORPORATE CAMPUS LOTS 10, 11 & 14 GRADING PROJECT

The Corporate Campus Lots 10, 11, & 14 Grading Project involves site grading and development of building pads on Lots 11 & 14, and associated slope work on Lot 10 at the Corporate Campus business park located in Burrell Township.

The Indiana County Office of Planning & Development recommended approval of the following items related to the \$138,432.55 base bid contract previously awarded to Adam Eidemiller, Inc., Greensburg, PA for the Corporate Campus Grading Project - Lots 10, 11 & 14.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve reducing the total contract amount by \$11,046.66 to reflect changes in quantities of estimated Foreign Borrow amounts of fill material vs. the actual amounts utilized in the project. As a result of the quantities adjustment, the revised contract sum is \$127,385.89.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve Change Order #1 to include re-dressing the slopes on Lot 10, create a swale at the top of the slope along Cornell Road, replanting of trees near a gas well, and associated seeding and mulching. The total amount of the change order is \$4,449.00, which is approximately 53% lower than originally estimated by the contractor. As a result of Change Order #1, the revised contract sum is \$131,834.89.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve to extend the project completion date from October 29, 2010 to November 30, 2010.

The work will be funded in part by a grant from the Pennsylvania Redevelopment Assistance Capital Program (RACP), with matching funds provided by the Indiana County Development Corporation, which is the sub-grantee for this project and owner/developer of the Corporate Campus. Indiana County, through the Indiana County Office of Planning & Development have been administering the grant program and the construction contract on behalf of both Indiana County and the Indiana County Development Corporation.

ORDINANCE...GENERAL OBLIGATION NOTE, SERIES A OF 2010, SERIES B OF 2010 AND SERIES C OF 2010

Mr. Mark Lundquist, the County's financial advisor was present to explain the purpose of the Ordinance for the General Obligation Note, Series A, B & C of 2010. He said there are four distinct purposes for the financing presented today:

First – adopting the ordinance will enable the County to lower the interest rate on the 2005 General Obligation Note incurred by the County for the benefit of the Communities at Indian Haven. The outstanding principal balance of the Note is slightly more than \$2.5 million and the current interest rate is 4.05% with a final maturity of 2016. The loan is with S&T Bank. As part of the financing, S&T Bank has agreed to reduce the interest rate for the remaining term of the loan from 4.05% to 3.2%. This will result in an annual savings for Indian Haven of slightly under \$13,000 per year or about \$75,000 total before costs and expenses.

Second – adopting the ordinance will also enable the County to lower the interest rate on a second 2005 General Obligation Note incurred by the County for the purpose of funding various capital projects of the County including some of the early costs associated with the prison. The outstanding principal balance of the Note is slightly more than \$4.1 million and the current interest rate is 4.38% with a final maturity of 2025. The loan is also with S&T Bank.

As part of the financing, S&T Bank has agreed to reduce the interest rate for the remaining term of the loan from 4.38% to 3.31%. This will result in an annual savings of slightly more than \$28,000 per year or about \$420,000 total before costs and expenses.

Third – adopting the ordinance will also enable the County to restructure the debt service associated with the County's 2009 General Obligation Note.

This Note was originally issued by the County in the principal amount of \$8 million for the purpose of completing the costs associated with the prison and to fund other capital projects of the County including the renovations to the Courthouse.

While the original principal amount of this Note was \$8 million, the County has only used about \$3.7 million of the amounts available to it.

With the restructuring authorized by this ordinance, the County will forego the opportunity to access the remaining credit available under the Note (approximately \$4.3 million) and the County and the local banks providing the loan will modify the repayment structure of the Note. The net effect is to reschedule the amortization of the loan over the original term (through 2029) assuming a balance of approximately \$3.7 million instead of \$8 million. This results in a reduction of the current annual debt service requirements from approximately \$630,000 to approximately \$305,000, a reduction of about \$325,000 as the requirement for budgeted debt service.

Thus, with the adoption of this ordinance, the County will reduce its annual debt service requirements for the two County loans by more than \$350,000. This is distinct from the savings which will be realized by Indiana Haven as a result of modifying the other 2005 loan.

Fourth – this ordinance also authorizes a new loan in a principal amount of \$15 million. We have recommended that the County put this obligation in place to provide funds for a number of capital projects of the County including the 911 communications project, and the renovations to the County Courthouse. The moneys will also be available to the County for other capital projects as may be approved by the Commissioners, including some of the initial costs associated with the review of the reassessment evaluation.

This loan will be made to the County by S&T Bank with participation Farmers Merchants Bank. It will be payable as to interest only for a period of 2 years and then amortize over 20 years. The interest rate will be fixed for the term at a rate of 3.64% and the County will be able to refinance it at no cost after 7 years in the event that interest rates are lower. The annual debt service for this Note – when it is in its amortization period starting in 2012-2013 – will be approximately \$1,058,000.

While all of the costs for these projects have not yet been finally determined, we believe the authorization of this loan is important for a number of reasons.

First, the County is already incurring costs for the various projects. Authorizing a loan will permit the County to fund these costs over the life of the project instead of from general fund moneys.

Second, utilizing this approach, especially with respect to the almost \$4.3 million which replaces the credit from the 2009 Note is effectively a reduction of the interest rate from 4.86% to 3.64%.

Third, Authorizing the 2010 Note right now is a good move because of the potential sun setting of favorable federal tax law provisions on December 31, 2010– provisions which would make a 2011 borrowing more expensive to the County.

Thus, to summarize – Adopting this ordinance will result in lowering debt service payments for Indian Haven and the County on debt they already have outstanding, plus it will provide the County with moneys to support the mandated 911 communications project, courthouse renovations and other capital projects.

The net cost from a budget perspective – the County will reduce the amount of its 2011 and 2012 budgeted requirements for debt service by approximately \$350,000. In 2012 and beyond, the requirements for budgeted debt service will increase from its current levels by approximately \$700,000 to provide for the new \$15 million facility.

Mr. Tom Trimm, Bond Counsel for the Loan was present and explained the ordinance provides the authority of the county to carry through with the financing as described. It recognizes the changes in the debt service and stands as a statement to file with DCED for approval of the revised debt service. It provides assurances by the county that under federal tax law we will maintain tax free status of the notes and hopes to close on the loan by December 21, 2010.

A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve the ordinance as presented.

Commissioner Ruddock said we have been working on this concept plan for some time. The fact that we have a December 31st window of opportunity that we don't want to miss under the federal tax laws and also to take advantage of the lower interest rates given the economic times are key. Mr. Ruddock explained that the debt service of the unused \$4.3 million has already been built into the budget. The monies being borrowed will be a line of credit for two specific projects. The first is the Public Safety Communications Radio Project which is essential to the well being of each resident in the county. We are in a 30 – 40 day window of a plan of implementation yet the cost has not been finalized. We are weighing a lot of options to offset the cost with Westmoreland and Armstrong Counties as part of a Region 13 switch which would reduce costs significantly. We are hopeful ARCAP dollars will help offset costs along with some grants available. He said we want to examine any options we have to include broadband. The uncertainties of the final cost will give us time to examine that plan before we commit which will be done in public forum. Having the monies available now removes concern of how do we pay for the projects as we move along. He said everything is falling in place nicely and is an important step to move forward.

The second project is the Courthouse renovation for the third judge of Indiana County and work will begin approximately December 1st to be completed in about 4-5 months. And also at some point reassessment needs to be addressed. Mr. Ruddock said this is a quality step, important step and the right step.

Commissioner Frick said the details presented by Mark Lundquist are what we have been dealing with for most of tenure as commissioners and have never found him lacking in the welfare of the county working in conjunction with S&T Bank. He said these are bad economic times but the prudent managers in poor times take advantage of situations like we are doing now by capitalizing on low interest rates and planning for the future. He said we are equally appreciative of S&T Bank for the financing. He feels confident and has vision for the future of the County.

Commissioner Evanko thanked Mr. Lundquist and Mr. Trimm for the financial plan put before the board. By taking advantage of the tax law it gives the county a better cash flow going into 2011 to work on other projects and commitments of county government and helps us run government better by taking advantage. We are doing nothing different that any homeowner in the county are doing right by taking advantage of lower tax rate by remortgaging their homes.

Commissioner Ruddock also said the refinancing will help the Communities at Indian Haven with extra cash flow at the home. In final comment he thanked Mr. Lundquist and Mr. Trimm for the help in the refinancing.

Commissioner Evanko also thanked our Financial Supervisor, Lisa Bowser for working with Mark Lundquist on the plan.

APPOINTMENT...SOIL CONSERVATION BOARD

A motion was made by Mr. Ruddock, seconded by Ms. Evanko and unanimously carried to appoint Donald Bothell, Creekside, PA as Farmer Director on the Soil Conservation Board with the term to expire January 1, 2015 and also to appoint Mr. Frick as the Commissioner Member on the Soil Conservation Board with the term to expire January 1, 2012.

Commissioner Frick also mentioned that a nomination was received for Beth Marshall and he said the Soil Conservation Board has appointed her as an associate member of the board.

AGREEMENT TO PURCHASE PROPERTY FROM S.W. JACK

At the request of Ron Anderson, Airport Authority a motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried to approve the purchase of a property owned by S.W. Jack to the County in the amount of \$113,000.00. Because of where this house is located near the end of the new runway, it is not habitable. This purchase is funded under phase III of the project with monies coming from the Bureau of Aviation. Solicitor Clark asked that an amendment to the motion be made to include Commissioner Ruddock the authorization to sign any documents for the purchase. A motion was made by Mr. Frick, seconded by Ms. Evanko and unanimously carried.

COURTHOUSE CLOSED...NOVEMBER 25 & 26, 2010 THANKSGIVING

Commissioner Ruddock announced that the courthouse will be closed on Thursday, November 25 & 26, 010 in observance of the Thanksgiving Day Holiday.

OTHER BUSINESS

There was no other business.

NEXT REGULAR MEETING...DECEMBER 1, 2010 (SPECIAL MEETING) & DECEMBER 8, 2010 AT 10:30 A.M.

Chairman Ruddock announced that there will be a special meeting on December 1, 2010 for the purpose of putting the budget on display and the next regular scheduled Commissioners' Public meeting will be held on Wednesday, December 8, 2010 at 10:30 a.m. in the Commissioners' Hearing Room.

ADJOURMENT

With no other business to come before the Board at this time, Commissioner Ruddock adjourned the meeting at 11:08 a.m.

Patricia A. Evanko, Secretary

Rodney D. Ruddock, Chairman