

COMMISSIONERS' MEETING MINUTES
NOVEMBER 16, 2011

Commissioner Chairman Rodney D. Ruddock called the regular meeting of the Indiana County Commissioners to order at 10:33 a.m. in the Commissioners' Hearing Room.

ROLL CALL

Chairman Rodney D. Ruddock, present Commissioner David S. Frick, absent
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 and Dick Robbins.

PLEDGE OF ALLEGIANCE

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

APPROVE MINUTES...OCTOBER 26, 2011

A motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve the minutes of October 26, 2011 as submitted.

PUBLIC COMMENT

Mr. Gerald Smith, Coalition for a Healthy County, was present to comment on the draft ordinance that will be presented to the Board of Commissioners from the Planning Commission. He appreciates the efforts put into writing the recommended revision of the draft ordinance but feels it needs improvement and could be significantly stronger.

PROCLAMATION...20th ANNIVERSARY FESTIVAL OF LIGHTS

After a proclamation was read by Ms. Evanko, motion was made, seconded by Mr. Ruddock and unanimously carried to celebrate the 20th Anniversary of the Festival of Lights at Blue Spruce Park. Penny Perman, Indiana County Tourist Bureau was present and said they are proud to promote the Festival of Lights. Erin Stewart from the parks was present to accept the proclamation and said the theme this year is "Tropical Holiday". In honor of the 20th year and the 250,000th visitor, there are special events planned. One is Where is Rudolph contest where each visitor can count the number of Rudolph's by visiting the Parks website and submitting an answer and the winner will receive a \$300.00 shopping spree from Indiana Mall. The 250,000th visitor will receive four tickets to Disney on Ice and the Kovalchick Center complements of the Indiana County Tourist Bureau. The cost is \$8.00 per car load. Mr. Ruddock commented that Ed Patterson and his crew do a yeomen's job in readying the park for the festival activities.

CONTRACT FOR PROFESSIONAL SERVICES – UNIFORM CONSTRUCTION CODE ADMINISTRATION

At the request of the Office of Planning & Development, a motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to enter into a contract with Pennsafe Building Inspection Services, LLC to perform construction code services on an as needed basis to meet the needs of the municipalities for which Indiana County administers the Uniform Construction Code. This action is necessitated due to unforeseen personnel issues with the current Uniform Construction Code third party inspection agency, Bureau Veritas, which has been unable to perform all of the required building inspections over the past several weeks.

RACP GRANT CONTRACT AWARD – INDIANA COUNTY MULTI-TENANT II

At the request of the Office of Planning and Development, a motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve of a Redevelopment Assistance Capital Program (RACP) contract between the Commonwealth of Pennsylvania and the Indiana County Commissioners for a grant in the amount of \$1,250,000.00 for partial funding related to building and site improvements at the Commerce Center building located at the Indiana County Commerce Park, White Township. The total project costs are estimated to be \$2,750,000.00. The appraisal value of the Commerce Center building shall serve as match for the RACP grant. Under the terms of the cooperation agreement, the Indiana County Development Corporation shall assist with interim financing to deliver the project.

The Commerce Center building shall enhance the county's ability to be economically competitive within the region to attract and retain quality jobs and capital investment in a ready-to-go facility.

CHANGE ORDERS – PENN WORKS GRANT/BLAIRSVILLE SEWAGE TREATMENT PLANT EXPANSION PROJECT

The Office of Planning and Development, the Blairsville Municipal Authority and Bankson Engineers, Inc. request that the Board of Commissioners approve the following two change orders for the Blairsville Sewage Treatment Plant Expansion Project:

A motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve a change order for Contract Number 09-4-Electrical: Change Order #6 is recommended that work items at the main pump station will be completed on a time and materials basis. The material, labor and equipment costs shall be calculated in accordance with PennDOT Publication 408, latest edition, for extra work performed on a time and material basis. Work items include wiring of three raw sewage pumps; influent throttling valve/SCADA tie-in; Class1, Division 1 Electrical Upgrades; wiring for HVAC upgrades and electrical building A/C; MPS Consolidation; and Pista Grit System electrical upgrades. It is estimated that these time and materials costs will be \$143,376.11.

A motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve change order for Contract Number 09-3 – HVAC. Change Order #6 will decrease the contract amount with Marc Services, Inc. by \$1,421.20. The change order reflects the deletion of the heat tracing and make-up water scope of work from Change Order Number 2. The revision decreases the contract total from \$271,680.24 to \$270,259.04.

RECOMMENDATION FROM INDIANA COUNTY PLANNING COMMISSION FOR AMENDMENTS TO INDIANA COUNTY SPECIAL RECREATION AND CONSERVATION ZONING ORDINANCE

Commissioner Ruddock reminded those present of a letter sent on June 22, 2011 to the Planning Commission asking them to review the Indiana County Special Recreation and Conservation Zoning Ordinance and to bring back recommended revisions.

Byron Stauffer, Director of the Office of Planning & Development thanked the Planning Commission, the staff in Planning Office for their work over the last five month in dealing with the critical issue to the county. It has been a good process but it is not the end point and depending on what happens with pending state legislations dealing with regulations on drilling

more changes may be made to the recommended revisions. He also thanked the Coalition for a Healthy County, Mike Knapp from MDS, Penn Future, private citizens and property owners, for their input and involvement throughout the process. The Planning Commission and the Planning Office wanted to honor the intent of the 1973 ordinance. It is clear the authors of the first ordinance wanted to protect the public assets of the parks, and the reviewers did what they could within existing state and federal regulations. Jeff Grim, Chief Planner, reviewed the changes and said they tried to make the recommended revised ordinance apply to all uses, not just the oil and natural gas industries. Ed Nehrig, Chairman of the Planning Commission was present and thanked the staff of the Planning Office, Commissioners and those who made recommendations and he thinks what they came up with is somewhat fair to the land owners, something the industry can live with and provides integrity for the parks.

A public meeting was conducted on November 9, 2011, by the Planning Commission. The recommendations to amend the Ordinance were presented and comments received from the public were taken into consideration.

Commissioner Ruddock recognizes the work and effort that has gone into the preparation of the revised ordinance which has been received today. It has been an "Open House Strategy". There has been ample opportunity to continue dialogue and it is not going to stop. We have 60 days to render an agreement to this proposal and identified January 25, 2012 for adoption of the revised ordinance. There will be a public meeting on the evening of January 11, 2012 with hopes of making the courtroom available so that everyone can come and provide additional testimony. He commended Senator Don White and Representative Dave Reed who have taken to their legislative team members the initiatives of Indiana County and they have been good listeners. Commissioner Ruddock said we are trying as a county to be representative of job creation but not at the sacrifice of our environment. He feels the proposal is strong that brings us up to pushing the limits of what would be expected under the Oil and Gas Act and what would be expected of the industry. He said what is approved should be sent to the Attorney General and have their office review the proposal because they are going to call the shot whether we have exceeded our limitations or not. He wants to make sure we follow the process that needs to be in place to make it work for the citizens of Indiana County.

Commissioner Evanko appreciates the work from the Planning Office and the Planning Commissioner but also thanks the grass roots people for their input and their time for caring about Indiana County because we care about the county. We want to do what is right and do it right the first time.

Final comment from Byron Stauffer said the revisions to date may be impacted by legislation and may need to be amended.

CONTRACT AMENDMENT...MOTOROLA SOLUTIONS

At the request of Tom Stutzman, Director of EMA, a motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve a change order to the Motorola Solutions contract dated December 22, 2010. This change order will add the installation and purchase of microwave connectivity to the rural parts of the county. The change order is for \$1,409, 969.00 which brings the total contract price with Motorola to \$8,853,162.36. Commissioner Ruddock said this change order is less than anticipated.

LEASE AGREEMENT...ALEXANDER SENULES/SENEX TOWER

At the request of Tom Stutzman, Director of EMA, a motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve a ten-year lease agreement with Alexander Senules in the amount of \$500.00 per month to lease space for the construction of a telecommunications tower.

EASEMENT...PENELEC / CELL TOWER AT BLUE SPRUCE PARK

At the request of Tom Stutzman, Director of EMA, a motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve a right-of-way easement with Penelec for the Blue Spruce Tower site which will allow electric access to that location.

AGREEMENT...COUNTY OF ALLEGHENY

At the request of Tom Stutzman, Director of EMA, a motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve an agreement between Indiana County and the County of Allegheny to fund an employee position within emergency management in the amount of \$47,380.00 per year for the next two years. The agreement is with Allegheny County but through Region 13 utilizing homeland security money and Allegheny County is the fiduciary county for the funds. This funds the logistics position with the county.

AGREEMENT BETWEEN ARMSTRONG-INDIANA BDHP AND NAMI OF INDIANA COUNTY

At the request of Jim Kuemmerle, Director of Armstrong-Indiana Behavioral and Developmental Health Program, a motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve a service provider agreement between Armstrong-Indiana BDHP and NAMI of Indiana County.

AGREEMENT BETWEEN ARMSTRONG-INDIANA BDHP AND UNITY HOME PARTNERS

At the request of Jim Kuemmerle, Director of Armstrong-Indiana Behavioral and Developmental Health Program, a motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve a service provider agreement between Armstrong-Indiana BDHP and Unity Home Partners.

AGREEMENT BETWEEN SW-6 COUNTIES AND VALUE BEHAVIORAL HEALTH OF PENNSYLVANIA, INC. and INTERGOVERNMENTAL COOPERATION AGREEMENT BETWEEN THE SW-6 COUNTIES FOR THE COLLABORATIVE PERFORMANCE OF THE GOVERNMENT FUNCTIONS UNDER THE HEALTH CHOICES AGREEMENT

Jim Kuemmerle explained that they are in the process of re-contracting with Value Behavioral Health of Pennsylvania, Inc. for a two year period. The purpose of the agreement over the next two years is to lower the administrative fees that have been historically paid and will allow the collaboration of Southwest 6 counties (Armstrong, Indiana, Lawrence, Butler, Westmoreland and Washington Counties) which will allow them to pull resources together to have greater flexibility of the Health Choices dollars. This is a model of the same contract being used in the Harrisburg region and research has showed the administrative efficiencies by keeping the fees low and return dollars to providers and funding becomes more challenging.

Commissioner Evanko asked when the current contract ends and Mr. Kuemmerle said at the end of 2011 calendar year of December. Commissioner Evanko asked if the other counties have

approved the agreements and Mr. Kuemmerle said they are going through the same process. Commissioner Evanko asked if we were the first county and Mr. Kuemmerle said Lawrence County is ahead of us. Commissioner Evanko asked if one county does not agree with this contract will the agreement not go through and Mr. Kuemmerle said it will not and if it doesn't get approved will result in provider increases. Commissioner Ruddock said he received an email that the intent is that all of the counties will move forward yet at a prior meeting one county has expressed they do not favor this plan. Commissioner Ruddock said they would like to have additional dialogue on the matter before Indiana County moves forward and if there is resistance from one county we need to know that. Solicitor Michael Clark also commented there is an ordinance for the Intergovernmental Cooperation Agreement which has not been published and approved and needs to be done before these two agreements can be approved. A motion was made by Mr. Ruddock, seconded by Ms. Evanko and unanimously carried to table action on these two items until the next public meeting.

ORDINANCE...GENERAL OBLIGATION NOTE, SERIES A, B, C, D, E OF 2011

Mark Lundquist, Financial Advisor for the county, was present to ask the Board to consider adopting an ordinance for five different notes to refinance debt of the county specifically for the purpose to reduce interest rates to secure debt service and budgetary savings for the current and future fiscal years. The notes will refinance debt the county previously incurred and owed for the prison construction and for the county's pension obligations. With the refinancing, the county will refinance the notes through a group of local banks led by S&T Bank with participation by First Commonwealth, Indiana First, Marion Center and potentially one or two others and it's truly a community project. The notes will be structured to match, or shorten the terms of the existing debt and will reduce the interest rates.

Three of the notes will be tax exempt loans and represent the notes which will refinance the debt previously incurred for the county's prison project. The current loans are at 4.86% and will be refinanced with new loans which bear interest initially fixed at 2.951%. Every 5 years the rates will readjust to a new rate but as required by state law, we have negotiated maximum rates with the banks. The result is that even if we assume the worst case scenario, and rates always reset to the maximum levels, the effective blended rate to the county will be approximately 3.95% over the term of the loan. Assuming the interest rates always adjust to the maximum rates, we calculate debt service savings of more than \$1.4 million over the life of the loan. If interest rates reset to levels less than the cap rates, the savings will be greater.

The other two notes will be taxable obligations due to the federal tax requirements. The same 5-year interest rate reset approach, with interest rate caps, has been utilized for the two notes; the new rate will be 4.45% for the first 5 years, adjusting thereafter by formula. These notes will refinance obligations of the county which are currently at 6.25% and 7.50%. We calculate these benefits at about \$600,000 on a present value basis.

In summary we will restructuring and refinancing existing obligations, not extending the terms but lowering the interest rate to get budgetary savings, fund balance savings, and opportunities and flexibility in for the 2012 budget but subsequent budgets.

Tom Trimm, bond council for the refinancing, said the ordinance give authorization to issue the notes to file with the Department of Community and Economic Development to request approval of the debt financing, to authorize them to take those actions necessary to close with the banks and to refund the outstanding notes as prescribed by law. He also explained that there is an

amendment to paragraphs 1.02 and 1.03 which both make reference to the attached amortization schedule which is attached but not referred to in the paragraphs.

Commissioner Ruddock and Evanko both agree that anytime you can reduce interest rates and not extend the payment time, it needs to be done for the financial stability of the county and also to be fiscally sound. A motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve Ordinance for General Obligation Note, Series A, B, C, D, E of 2012 with said amendments to paragraphs 1.02 and 1.03.

Commissioner Ruddock when we went out and did long range borrowing for the jail project, we did so with the support of the community banks and they are still on board with us and that speaks of the credibility that we have with the banks and the fact they are willing to be continued partners with the county moving forward. Obviously we are preparing ourselves to move into a structure where we can actually have a better plan to take advantage of public safety radio project that needs to be fully funded.

SURPLUS EQUIPMENT BIDS...111411

At the request of Robin Maryai, Chief Clerk, a motion was made by Ms. Evanko, seconded by Mr. Ruddock and unanimously carried to approve the sale of surplus equipment. Bids were opened on November 14, 2011 and a high bid was received from Ronald Gniewek for \$300.00 for the 1967 trailer and a high bid was received from Tim Smyers for \$325.00 for the 1992 Dodge Van.

OTHER BUSINESS

There was no other business.

NEXT REGULAR MEETING...NOVEMBER 30, 2011

The next regular scheduled Commissioners' Public meeting will be held on Wednesday, November 30, 2011 at 10:30 a.m. in the Commissioners' Hearing Room.

ADJOURNMENT

With no other business to come before the Board at this time, Commissioner Ruddock adjourned the meeting at 11:34 a.m.

Patricia A. Evanko, Secretary

Rodney D. Ruddock, Chairman