

A meeting of the Board of Directors of the Municipal Authority of the Borough of Portage was held on Thursday, December 6, 2018, at 7:00 p.m., in the Conference Room at 606 Cambria Street.

Those in attendance were:

Mark Castel, Chairman
Craig Castel
John Gartland
Brent Kinley
Jerome Yetsko

Also present were: Ron Cadwallader, Supervisor; Joe Beyer, The EADS Group; Ron Portash, Mainline Newspapers.

I. CALL TO ORDER

Mr. Mark Castel, Chairman, called the meeting to order at 7:00 p.m., which was followed by the Pledge of Allegiance and Roll Call.

II. RECOGNITION OF GUESTS

Mr. Mark Castel recognized Mr. Portash, Mainline Newspapers.

III. CORRESPONDENCE

Mr. Mark Castel stated that there was no written correspondence to be presented.

IV. APPROVAL OF MINUTES

ON MOTION OF MR. GARTLAND, SECONDED BY MR. KINLEY, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE NOVEMBER 2018 MINUTES BEING THAT THEY WERE DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE MINUTES AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

V. AGENT'S EXPENDITURES

No Agent's Expenditures to be presented.

VI. INVOICES

Brent Kinley	\$ 50.00
Cintas	56.75
CMPA	1,000.00
Craig Castel	50.00
Foster F Wineland, Inc.	689.77
FWF Insurance Agency, Inc.	1,690.00
Hach	574.54
John Gartland	50.00
L/B Water Services Inc.	898.90

Mainline Newspaper	92.00
Mark Castel	50.00
Mary L Elchin	260.00
Mountain Research, LLC	156.00
Peoples Natural Gas Company	267.01
Portage Auto Parts	140.00
Portage Post Office	150.00
Portage Service Center	448.90
Ray's Lawnmower	137.78
Ray's Oil & Gas Co	2,711.45
RDM-Johnstown LLC	136.00
Ronald J Cadwallader, Jr	20.00
Sharon Squillario	50.00
Stager's Store	324.17
United Graphics	2,203.13
Univar USA, Inc.	2,785.38
USA Blue Book	131.64
Visa – 1 st Summit	872.21
WB Mason Co Inc.	59.10
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	\$16,054.73

Paid Bills

Verizon Wireless	\$ 150.04
1 st Summit Bank	924.52
PA One Call System Inc.	79.75
Penelec	1,313.49
Comcast	310.11
Highmark Blue Shield	6,584.91
SwiftReach Networks, Inc.	178.95
Verizon	459.61
Lowes	158.62
Aflac	158.48
New Enterprise Stone & Lime Co.	726.80
PMRS	40.00
Pro Disposal, Inc.	150.00
Rea Energy Cooperative Inc.	1,192.67
Ronald Burket	100.00
Sheetz Fleet Service	410.36
Staples	121.98
Ryan Burk	100.00
Verizon Wireless	150.04
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	\$13,310.33

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY AGREED TO ACCEPT AND PAY INVOICES IN THE AMOUNT OF \$55,928.97 (REGULAR BILLS, \$16,054.73; PAID BILLS, \$13,310.33; PennVEST, \$3,896.36 AND \$5,508.55; USDA, \$16,051.00; 1ST SUMMIT, \$1,108.00). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

VII. TREASURER'S REPORT

ON MOTION OF MR. KINLEY, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY AGREED TO DISPENSE WITH THE READING OF THE NOVEMBER 2018 TREASURER'S REPORT AS IT WAS PREVIOUSLY DISTRIBUTED IN WRITTEN FORM AND UNANIMOUSLY ACCEPTED THE REPORT WITH A BALANCE OF: BEGINNING CASH, \$1,672,062.14; CASH IN, \$194,229.71; CASH OUT, (\$211,570.43); ADJUSTMENT, \$0; ENDING CASH, \$1,654,721.42. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

VIII. SUPERINTENDENT'S REPORT

Mr. Mark Castel noted that Mr. Cadwallader's report was distributed to the Board members prior to the meeting; and he asked the Board if there were any questions regarding the report.

Mr. Cadwallader shared with the Board the new bidding threshold increases that will take effect January 1, 2019. He pointed out the following:

- Purchases and contracts below \$11,100 require no formal bidding or written/telephone quotes.
- Purchases and contracts between \$11,100 and \$20,600 require three written/telephone quotes.
- Purchases and contracts over \$20,600 require formal bidding.

Mr. Yetzko requested that Mr. Cadwallader provide the Board members with a copy of this information, which Mr. Cadwallader did.

Mr. Cadwallader reported that all of the Method 334 testing is done, with the exception of Brian Cadwallader who has to do two tests and then everything will be complete.

As it relates to the Frazier Avenue project, Mr. Cadwallader informed the Board that the team finished one 2" tie-in today and will start on the other one tomorrow. There are six residents to tie in. Pending the weather conditions, this project should then be completed.

Mr. Cadwallader stated that there were letters received from the employees relative to the carry-over of vacation hours into 2019. The maximum allowable carry-over is 80 hours. The following requests were received:

Joy Powers:	75 hours
Chris Ringler:	12 hours
D. J. Moore:	40 hours
Todd Feathers:	8 hours, 45 minutes

ON MOTION OF MR. CRAIG CASTEL, DULY SECONDED BY MR. KINLEY AND MR. GARTLAND, THE BOARD UNANIMOUSLY APPROVED THE ABOVE REQUESTS FOR CARRY-OVER OF VACATION HOURS AS RECEIVED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

Mr. Cadwallader stated that he included with the Board meeting information copies of the evaluations of the two new employees. Mr. Yetsko questioned if Mr. Cadwallader met with the employees, reviewed the evaluations and asked questions of them, to which Mr. Cadwallader replied affirmatively. Mr. Cadwallader pointed out that he met with the employees as well as requested information from the plant and field employees. Mr. Yetsko questioned if the other employees were evaluated the same way, to which Mr. Cadwallader replied affirmatively. Mr. Craig Castel questioned if the new employees had any questions of Mr. Cadwallader at the time of the evaluation, to which Mr. Cadwallader replied that they did not. He indicated that the employees stated that they had no concerns. Mr. Cadwallader stated that the new employees are still a little uncomfortable with curb box locations; however, this is something that takes some time to catch on to.

Mr. Yetsko questioned why the Board members were given another a copy of the Personnel Rules and Regulations in their Board information, to which Mr. Cadwallader replied that Mrs. Ringler provided the Board members with a packet of information to complete the paperwork for the payroll deductions for next year; and the Personnel Rules and Regulations are included as part of that packet. The information provided is the same information that would be provided to any new employee. Mr. Yetsko commented that he reviewed the Personnel Rules and Regulations; and he did not see anything relative to a fraud policy, to which Mr. Cadwallader replied that he would review with Mr. Yetsko where that information can be found.

Mr. Cadwallader noted that the 90-day probationary period for the new employees will end on December 8. Mr. Yetsko indicated that the two new employees should receive a \$.50 increase after six months and a \$.50 increase after one year. Mr. Mark Castel pointed out that the new employees should also receive their health care insurance after the 90-day probationary period. The Board agreed that, as the 90 day probationary period for the new employees would be up on December 8, the new employees would be eligible for their wage increase and health care insurance at that time.

Mr. Cadwallader presented the following request for adjustment:

- 906 Lower Martin Avenue: pipe broke under concrete in garage; has been repaired (total consumption, 12,300 gallons; average consumption, 5,600 gallons). Billed: \$136.04; less average bill of \$64.53; subtotal, \$71.51; 20%, \$14.30; adjusted bill, \$85.81.

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. YETSKO, THE BOARD UNANIMOUSLY APPROVED THE ABOVE REQUEST FOR ADJUSTMENT AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

Mr. Mark Castel noted that he does recall discussion in the past relative to raising the 20% adjustment to 40% or 50%, to which Mr. Craig Castel noted that it was discussed in the past as it relates to what other Authorities do. Mr. Yetsko stated that, if any change is going to be made, it should be done before the beginning of the year.

ON MOTION OF MR. KINLEY, SECONDED BY MR. GARTLAND, THE BOARD UNANIMOUSLY AGREED TO INCREASE THE PERCENTAGE REDUCTION WHEN REQUESTING AN ADJUSTMENT FROM 20% TO 50%.

BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

Mr. Yetsko requested that Mr. Cadwallader relay this information to the customers via the newspaper. Mr. Cadwallader agreed; and he pointed out that this information would also be printed at the bottom of the next bills as well.

Mr. Cadwallader informed the Board that there is information contained under New Business relative to the CD with a 60-months maturity date of December 3, 2018. Included in the Board packet was information relative to the new balance of the CD and what the bank was recommending if the CD was renewed (60 months at 2.61% for another five years at 1st Summit). Mr. Mark Castel questioned if there is a penalty for pulling the money out sooner, to which Mr. Cadwallader replied that there is a penalty if the money is pulled out prior to maturity. Mr. Cadwallader noted that we could renew the CD for 12 months at 1.56%; however, if the Board agrees to do that, we would have other CDs that would mature at the same time. Mr. Craig Castel questioned if this is the best rate we could receive. Mr. Gartland commented that perhaps the monies could be split into two CDs; and if we would need to withdraw, you could withdraw only one and still be drawing interest on the second CD. Mr. Yetsko commented that perhaps we should investigate the interest rates at other banks; and if we are unable to obtain better interest rates at another bank, we could split the monies into two CDs and leave the monies at 1st Summit. Mr. Craig Castel pointed out that the maturity date of the CD was December 3, so action would need to be taken soon. He suggested that Mr. Cadwallader investigate the interest rates for CDs at FNB, S&T, M&T, Northwest Savings, Ameriserv, etc.; and if the interest rates are not different, the monies could be split. Mr. Mark Castel noted that Mr. Cadwallader should check to see if there is a decision needed before the next meeting or if the CD would just roll over after a certain period of time. Mr. Cadwallader questioned, if the CD is to be split, should it be split for the 60 months, to which the Board members agreed.

ON MOTION OF MR. GARTLAND, SECONDED BY MR. KINLEY, THE BOARD UNANIMOUSLY AGREED TO HAVE MR. CADWALLADER INVESTIGATE THE INTEREST RATES AT VARIOUS OTHER BANKS; AND, IF THE INTEREST RATES ARE THE SAME, THE MONIES IN THE CD THAT IS DUE TO MATURE SHOULD BE SPLIT AND KEPT AT 1ST SUMMIT BANK. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

Mr. Yetsko questioned the status of the roof at the plant, to which Mr. Cadwallader replied that the contractor has not called him back yet. Mr. Cadwallader commented that the roof is not leaking at this time.

IX. ENGINEER'S REPORT

Mr. Beyer commented that a copy of the Engineer's Report was distributed to the Board prior to the meeting.

Mr. Beyer stated that there is no further information available on the Emergency Action Plan.

As it relates to the Mountain Avenue project, Mr. Beyer reported that he will be meeting with Mr. Cadwallader tomorrow to review the plans, specifications and materials. He and Mr. Cadwallader will also be meeting with Mr. Zelanko to discuss the easement. Mr. Beyer then discussed with the Board the proposed bidding process for the project. He questioned the Board if they were agreeable to having a bid opening in January. We could advertise the project, with the bid opening to occur in later January and then award the bids in February. Mr. Craig Castel pointed out that the sooner we advertise, the sooner we will be able to start the project.

Mr. Yetsko questioned the scope of the project, to which Mr. Beyer replied that it would be from Main Street to the tank near the school. Mr. Beyer pointed out that this is a project that we will specifically need to watch the costs on, because if the costs of the project go over the grant amount, you could forfeit the grant amount. He noted that we are going to really have to watch the bids coming in and keep an eye on the costs throughout the project.

ON MOTION OF MR. KINLEY, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY AGREED TO BID THE MOUNTAIN AVENUE PROJECT IN JANUARY 2019. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

Mr. Beyer commented that the project really only has to be advertised once; and he questioned the Board if they wanted the project advertised twice in the Tribune. He noted that the project would be advertised in the Builders Exchange as well, which would provide coverage all over Pennsylvania. The cost for advertising in the Tribune is approximately \$100 each time. Mr. Beyer noted that the project has to be advertised ten days before the bid opening date, which we could set for January 24. Mr. Cadwallader noted that he feels the bids should come in pretty decent because of the time of year we are bidding the project and the contractors will be looking for work. After discussion, the Board agreed to advertise the project twice in the Tribune.

Concerning the Benscreek reservoir, Mr. Beyer noted that he will be speaking to Doug Kahler.

Mr. Beyer noted that he had provided to the Board a list of future projects that could be considered during the budget process. He stated that was not sure if the Board discussed any of the projects during the budget process. Those projects included:

- Additional wells at the Benscreek plant.
- Drying beds at both plants.
- Finish 10" water line from the school to the Borough.
- Increase water main on Farren Street.
- Munster Road storage tank.
- Updates to both reservoirs.

Mr. Kinley stated that the Board had talked about the drying beds, to which Mr. Mark Castel commented that we could address this project via the additional monies that would be realized from the 2% rate increase (monies from the capital improvement fund). Mr. Mark Castel questioned what the priorities should be, to which Mr. Cadallader replied that he would think that the first priority would be the Benscreek well (getting the current well cleaned and possibly looking at sinking another well), followed by the 10" line from RD's to Farren Street.

Mr. Cadwallader indicated that the difficulty with addressing the current well cleaning is getting to a point where there is no rain. Mr. Yetsko commented that, if we are looking at sinking another well, there might be more expenses tied up with that project than by keeping up with addressing the current well. Mr. Cadwallader stated that, if we had an additional well, we could then alternate when one of the wells needed cleaning; and we would also have an additional source. Mr. Cadwallader pointed out that, with the new regulations coming out, there will be a lot of money tied up relative to the permit regulations. Mr. Mark Castel questioned if there was only one company that bid for the cleaning of the well, to which Mr. Cadwallader replied that Eichelberger's is the only contractor that bid. He explained that there were others that were contacted but did not provide a bid.

Mr. Beyer questioned the Board's thoughts, to which Mr. Mark Castel replied that we definitely have to have the well cleaning completed. Mr. Cadwallader noted that this project is included in the budget for next year. Mr. Beyer noted that the reservoir project will not be next year as it will take at least one year to obtain all of the permits. Mr. Cadwallader indicated that he would think that, if the Board is looking for a definite shovel ready project, it would be the 10" line from RD's to Farren Street. That project would complete the main stem; and then the Board could consider different projects to replace various lines on avenues/streets throughout the town. Mr. Beyer noted that the Board had considered replacement of a line on Caldwell Avenue in the past. Mr. Cadwallader commented that Vine Street is another area we could look at.

Mr. Beyer noted that he will provide for the next meeting the Engineer's agreement for 2019, which will have no cost increase from the current year.

X. SOLICITOR'S REPORT

Mr. Mark Castel commented that Attorney Barbin submitted his report prior to the meeting; and he questioned if any Board member had any questions on the report.

Mr. Mark Castel noted that Attorney Barbin noted in his report that he did provide a Resolution for signature by the Authority relative to the garbage contract for next year. There were no substantial changes to the contract from last year; and the Board agreed to the Resolution.

XI. FORESTER'S REPORT

No report.

XII. UNFINISHED BUSINESS

No Unfinished Business to be presented.

XIII. NEW BUSINESS

- CD Maturity

Discussed earlier in the meeting.

- New Employee 90-Day Probation

Discussed earlier in the meeting.

- First National Bank Payoff

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. KINLEY, THE BOARD UNANIMOUSLY APPROVED THE FIRST NATIONAL BANK LOAN PAYOFF AS OF DECEMBER 20, 2018 FOR THE EXCAVATOR. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

- Borough Garbage Contract

Discussed earlier in the meeting.

- Meeting Dates - 2019

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. GARTLAND, THE BOARD UNANIMOUSLY APPROVED THE 2019 MEETING DATES AS FOLLOWS: JANUARY 3, FEBRUARY 7, MARCH 7, APRIL 4, MAY 2, JUNE 6, JULY 11, AUGUST 1, SEPTEMBER 5, OCTOBER 3, NOVEMBER 7, AND DECEMBER 5. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

- 2019 Budget – 2% Rate Increase

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. GARTLAND, THE BOARD UNANIMOUSLY APPROVED THE 2019 BUDGET TO INCLUDE A 2% RATE INCREASE (THE RATE INCREASE MONIES WOULD BE EARMARKED FOR THE CAPITAL IMPROVEMENTS FUND). BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

- Payroll Increase – New Employees

ON MOTION OF MR. CRAIG CASTEL, SECONDED BY MR. KINLEY, THE BOARD UNANIMOUSLY AGREED TO PROVIDE TO THE TWO NEW EMPLOYEES A \$.50 PAY INCREASE AFTER SIX MONTHS AND \$.50 AFTER ONE YEAR. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

- Christmas Bonus

As it relates to the Christmas bonus, Mr. Yetsko reminded the Board that he, and a former Board member, donated their Board member pay toward the Christmas bonus in past years. He stated that he will no longer be doing this; and, therefore, the Board will need to determine if this will be included in the budget in the future. Mr. Yetsko questioned what the total amount of the Christmas bonus is for the employees, to which Mr. Cadwallader replied that it would be \$3,400 for this year, which includes Mr. Barton. Mr. Craig Castel noted that the budget does include this amount for 2019 under Account #484, General Office Supplies and Expenses;

therefore, at the end of next year, the amount of the bonuses and whether the bonus is given will depend on what is left in that account at the end of the year, to which the Board agreed.

ON MOTION OF MR. KINLEY, SECONDED BY MR. CRAIG CASTEL, THE BOARD UNANIMOUSLY APPROVED THE EMPLOYEE CHRISTMAS BONUSES FOR 2018 AS PRESENTED. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. GARTLAND, MR. KINLEY AND MR. YETSKO.

XIV. GOOD OF THE ORDER

- Annual Christmas Party

Mr. Mark Castel reminded the Board of the annual Christmas party with the Borough, Water Authority and Sewer Authority to be held on Friday, December 21, 2018 at the Fire Hall. Board members attending should notify either Mr. Cadwallader or Mrs. Ringler.

- Board Employee Packets

Discussed earlier in the meeting. Information should be completed by the Board members and returned to Mrs. Ringler.

XV. ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, ON MOTION OF MR. YETSKO, SECONDED BY MR. CRAIG CASTEL, THE BOARD ADJOURNED THE MEETING AT 7:56 P.M. BOARD MEMBERS VOTING AFFIRMATIVELY INCLUDED MR. CRAIG CASTEL, MR. MARK CASTEL, MR. KINLEY AND MR. YETSKO.

XVI. NEXT MEETING

The next meeting will be held on Thursday, January 3, 2019 at 7:00 p.m.

Respectfully submitted,



Sharon Squillario
Recording Secretary