

East Donegal Township
Board of Supervisors
Special Meeting Minutes
November 13, 2014

A Special Meeting of the Board of Supervisors of East Donegal Township was held on Wednesday, November 13, 2014 at 5:00 PM in the East Donegal Township Municipal Building, 190 Rock Point Road, Marietta, PA 17547.

The meeting was called to order by Supervisor Dennis J. Drager, Chairman of the Board.

Roll call of Supervisors: Present were Dennis J. Drager, Chairman; Allen D. Esbenshade, Vice Chairman; and John E. Murphy Jr., Member. Also present were Jeffrey L. Butler, Township Manager and Joyce Boyer, Township Treasurer. Public Attendance is attached.

Cynthia LaBuda, CHL Associates, was present to discuss the bids received for the completion of the Township Building renovation/addition project. The bids were solicited and received via PennBid, an online bidding service. There are five prime contracts involved with the project: general construction, electrical, HVAC, plumbing and fire protection. The bids received are as follows:

General Construction

COMPANY NAME	BID AMOUNT
Ames Construction, Inc.	\$1,939,024.00
Uhrig Construction	\$1,953,000.00
Balton Construction	\$1,984,056.00
Purcell Construction	\$2,025,000.00
Horst Construction	\$2,059,567.00
Kinsley Custom	\$2,175,500.00

Electrical Construction

COMPANY NAME	BID AMOUNT
MidState Mechanical & Electrical, LLC	\$349,000.00
John E. Fullerton, Inc.	\$428,960.00
Robert P. Lepley Electrical Contractor	\$450,599.00
Leer Electric, Inc.	\$455,300.00
Spotts Brothers, Inc.	\$457,800.00
McCarty & Son Inc.	\$473,581.00
RLS Construction Group	\$475,000.00

Edwards Electric & Telecom, Inc.	\$481,265.00
Electric Power Savers	\$491,500.00

Automatic Sprinkler Construction

COMPANY NAME	BID AMOUNT
ABJ Sprinkler Co., Inc.	\$98,740.00
Triangle Fire Protection, Inc.	\$98,830.00
Anchor Fire Protection	\$117,100.00

HVAC Construction

COMPANY NAME	BID AMOUNT
Myco Mechanical, Inc.	\$444,500.00
Spotts Brothers, Inc.	\$459,800.00
MidState Mechanical & Electrical, LLC	\$461,500.00
Frey Lutz, Inc.	\$464,000.00
Heisey Mechanical, Ltd.	\$469,000.00
Ames Construction, Inc.	\$477,153.00
CMC, Inc.	\$495,480.00
W.C. Eshenaur and Son, Inc.	\$535,000.00
Garden Spot Mechanical, Inc.	\$540,000.00

Plumbing Construction

COMPANY NAME	BID AMOUNT
Ames Construction, Inc.	\$169,169.00
Vision Mechanical	\$210,588.00
Myco Mechanical, Inc.	\$217,600.00
Carl E. Frantz, Inc.	\$236,800.00
Frey Lutz, Inc.	\$264,000.00
Garden Spot Mechanical, Inc.	\$270,000.00
W.C. Eshenaur and Son, Inc.	\$274,781.00
Jay R. Reynolds, Inc.	\$277,100.00

Ms. Labuda briefly compared the bids received against the cost estimate prepared during the design process. The most significant difference was the HVAC bid that was approximately 88%

over the cost estimated. Ms. Labuda explained that the estimator assumed lower cost roof units as part of the HVAC system. However, in reviewing the bids with the mechanical engineer responsible for the design of the system, it was determined that the unit specified by the lowest bidder was the same unit used in the design of the system. Although the mechanical engineer had the opportunity to review the cost estimate, the inappropriate assumption of the roof units was not caught.

There was a brief discussion of the benefit of utilizing the HVAC units and system that was the basis of the design over a lower cost, but under performing system. The complexity of the system and building needs warrants the use of the system proposed by the low bidder for the HVAC construction.

The Board discussed the need to move forward with the project if there is an expectation that the project will start in January 2015. Contractors will need some lead time for the ordering and delivery of materials and the Township will need to have modular office space in place for use during construction.

There was some discussion regarding the need to fund the difference between the \$2.5 million loan secured for the project and the \$3,000,433.00 cost based on the bids received. In addition, to the \$3,000,433.00 construction cost, the project will include updates to the building's access control, security system and audio/video equipment in the public meeting room. There will also be the cost of new furnishings. The difference would be made up through the use of Township reserves. There would not be a need to raise the Township tax rate to fund the project.

A motion of Mr. Drager to award the projects contract to the following bidders was seconded by Mr. Esbenshade.

General Construction – Ames Construction, Inc., \$1,939,024.00

Electrical Construction - MidState Mechanical & Electrical, LLC., \$349,000.00

Automatic Sprinkler Construction - ABJ Sprinkler Co., Inc., \$98,740.00

HVAC Construction - Myco Mechanical, Inc., \$444,500.00

Plumbing Construction – Ames Construction, Inc., \$169,169.00

Discussion none. Vote: Mr. Murphy, yes; Mr. Esbenshade, yes, and Mr. Drager; yes.

Ms. Labuda indicated that the decision of the Board will be posted on the PennBid website.

Mr. Butler began the discussion of the proposed 2015 Budget with information regarding employee wages and personnel changes. He indicated that the budget reflects a 2% increase in employee wages across the board. It is proposed that the current vacancy of the third road crew member will be filled in the spring to be fully staffed for spring and summer projects. The

budget again includes the part-time position of Parks Supervisor. There is a proposed second seasonal part-time position for work in Township parks. There will be an attempt to work with the Donegal School District to identify potential candidate for both part-time seasonal positions.

There was some discussion regarding the summer playground positions. The helpers have been fairly stable and are all compensated the same.

Mr. Butler stated the goal of finalizing a draft budget this evening so that it can be advertised for adoption at the regular Board meeting scheduled for December 4, 2014. The budget is required to be available for inspection by the public for at least 20 days before finally adopted by the Board.

Mr. Butler presented the draft 2015 budget for the Marietta Water Fund. The fund was previously funded by the collection of the hydrant tax. The tax was rescinded in January 2014. Costs associated with the hydrant leased from Columbia Water Company will continue to be paid from the fund until the fund is exhausted and then will come from the Township's general fund. It's estimated that an additional \$18,000.00 of expenses will be incurred during 2015. The estimated fund balance at the end of 2015 is \$42,050.00.

Mr. Butler presented the draft 2015 budget for the Trash and Recycling Fund. The contract cost for Eagle Disposal is increasing based on the equation contained in the contract that takes into account increased road mileage, increase in customers and increase operating cost. However, the cost to residents for trash and recycling service is not proposed to increase. In addition, there are no increases proposed for the various tags needed for additional trash services.

Mr. Butler presented the draft 2015 budget for the Highway Aid Fund. This fund is used solely to fund Township road projects. There is a slight increase in the amount of funds received from the state as a result of the transportation bill passed year. The road projects to be undertaken with Highway Aid Funds include the following:

- Ore Mine Road
- Paving Bridge Street to Township line
- Paving Gay Street to Township Line
- Paving Wasp Street
- Paving Waterford Avenue to Township Line
- Paving Chestnut Street to Township Line

The total cost for all projects proposed to be undertaken is budgeted to be \$348,400.00.

Mr. Butler presented the draft 2015 budget for the Township's General Fund. Projected revenues include a small increase in real estate taxes based on a slight increase in property valuation in the Township and not an increase in the Township tax rate. In addition, the budget projects an increase in real estate transfer tax based on recent trends.

The receipt of an Automated Red Light Enforcement grant is reflected in projected revenues. The grant of \$212,000.00 will be used to update the traffic signal the Route 441/Route 23 intersection.

Mr. Butler highlighted the various inter-fund transfers proposed within the draft budget. A number of transfers from the Township's Park and Recreation Fund are proposed to assist in funding projects within Fuhrman, Legion, Riverfront and Longwood Square parks. Once again \$200,000.00 is proposed to be transferred from the Trash and Recycling Fund. The proposed budget reflects the proceeds from the loan secured to complete the Township building renovation/addition project. Finally, the proposed budget proposes the use of \$1,000,000.00 from the current reserves of the General Fund balance.

In summary, the draft budget proposes \$7,825,785.00 as the total amount available for allocation.

Mr. Butler highlighted significant expenditures reflected in the draft budget. The most significant changes from 2014 are within the line items of the Township Building Services category. This category includes the line items associated with the Township Building renovation/addition project. The category total is \$3,195,333.00.

Mr. Butler indicated that the projected expenditures associated with police services from the Susquehanna Regional Police Department decrease slightly from the 2014 budget reflecting the budget adopted by the Police Commission.

The line items within the Fire expense category total \$410,532.00, an increase of 37% from 2014. The increase reflects \$150,000.00 allocated to capital improvements to be made to the Fire Station, should such project be started.

The projected expenditures associated with the upgrade of the Route 441/Route 23 intersection traffic signal total \$242,000.00. The design and permitting costs of the project are not included in the funding to be received from the ARLE grant.

In addition to the roadway projects funded by the Township's Highway Aid Fund, it's proposed that Greider and Landis Road be oiled and chipped and Apple Street be paved with the used of General Fund monies.

Equipment purchases planned for 2015 include dump truck, estimated at \$120,000.00, and a zero-turn mower, estimated to be \$17,500.00.

The Township has received notice that the cost associated with health insurance will increase by almost 10% in 2015. The cost of health insurance had held relatively the same over the past two budget cycles.

Total expenditures projected for the 2015 budget is \$7,781,992.00.

A motion was made by Mr. Esbenshade and seconded by Mr. Murphy to authorize the Township Manager to advertise the draft 2015 General Fund Budget available for public inspection and place the adoption of the 2015 General Fund Budget on the agenda for approval at the December 4, 2015 meeting. Vote: Mr. Murphy; yes, Mr. Esbenshade; yes, Mr. Drager; yes. Motion carried.

Adjourn: A motion was made by Mr. Murphy and seconded by Mr. Esbenshade to adjourn at 6:50 PM.

Respectfully Submitted
Jeffrey L. Butler, Township Manager

The next regular meeting of the Board of Supervisors will be held on December 6, 2012 at 8:00 PM in the Township Building.