

**Washington Township Municipal Authority
Business Meeting Agenda
September 6, 2016**

1. Business from the Floor
2. Agenda
3. Minutes of August 22, 2016
4. BB&T Loan Refinancing
5. Resolution 16-6
6. Health Insurance Discussion
7. WTMA Project Update Report – August 2016
8. Adjourn to Executive Session for Legal Matters
9. Reconvene to Regular Session
10. Miscellaneous
11. Adjourn

Washington Township Municipal Authority
Business Meeting Minutes
September 6, 2016

Chairman F. Eisenhart opened the meeting at 7:15 PM. Others present were A. Geesaman, S. McCleaf, D. McCarney, G. Price, S. McFarland, and S. Trinh. J. Garvin, Business Manager, was also present.

Business from the Floor

There were no members of the public attending so there was no Business from the Floor.

Agenda

The Agenda was approved on an S. McCleaf, D. McCarney motion (5-0).

Minutes of August 22, 2016

The Minutes of August 22, 2016 were approved as amended, on S. McCleaf, G. Price motion (4-0). D. McCarney abstained due to his absence at the prior meeting.

BB&T Loan Refinancing / Resolution 16-6 / Post Issuance Tax Compliance Policy

The Manager explained that the loan documents were before the Board for signatures and seals. He told the Board that the documents would refinance \$6,300,000 and that the Authority had wired approximately \$900,000 into its accounts from the money invested with Sterling Financial Advisors to make up the difference between the current loan balance and the amount being refinanced. That money will be transferred to BB&T Bank. He reminded the Board that the interest rate would be 2.07% and the term would be 119 months. He explained that the Board would be signing the documents that night, and they would be overnighted in the morning to BB&T's offices in West Virginia, and closing would actually take place on Thursday, September 8th. He also explained that all of the documents have been thoroughly reviewed by him, the Authority's Solicitor, the Authority's bond counsel, and the bank's attorney and everything was in order.

S. Trinh suggested that Resolution 16-6 should be acted upon first since it is a borrowing resolution, and authorizes the execution of all of the documents and further authorizes the Chairman and Secretary-Treasurer to sign the documents on behalf of the Board.

Resolution 16-6 was approved on an S. McCleaf, A. Geesaman motion (5-0).

The Solicitor proceeded to go through all of the loan documents and ensure that all of the loan documents were properly signed by the Board, including the Promissory Note, Non-Arbitrage Certificate, Tax Form 8038-G, Receipt for Notes Proceeds, and General Certificate.

The Board then also reviewed and adopted a Post Issuance Tax Compliance Procedure and Policy that was required by BB&T, insuring that the WTMA will be in compliance with the current banking rules and regulations, and appointing the Manger as the person responsible for overseeing that compliance. The Solicitor explained that this ensures the loan is tax exempt. The Policy and Procedures were adopted on an A. Geesaman, S. McCleaf motion (5-0).

The Chairman inquired about the impact of the refinancing on the monthly loan payment, to which the Manager explained that the total amount would decrease by approximately \$400 per month, and the remaining repayment term would be one month short of 10 years, but the Authority will save approximately \$1,300,000 in interest costs over the remaining term of the loan.

Health Insurance Discussion

The Manager began the discussion by reviewing the results of a meeting that was held with Benecon by a committee that included the Chairman, F. Eisenhart, D. McCarney, J. Garvin and himself. They met with Robin Richardson, the director of Benecon, to discuss their health insurance program. He explained that Benecon is a consortium of municipalities and authorities that have come together to offer a product that is self-insured, but is still administered through Capital Blue, and includes the Borough of Waynesboro, Chambersburg and Washington Township, among many others. The Chairman pointed out that in addition to those specifically mentioned, in the immediate area, 10 other municipalities and authorities were also enrolled. The Manager added that although Benecon administers 12 different consortiums, the only groups enrolled in the particular one the WTMA would be joining were boroughs, townships and other municipal entities.

He explained that after meeting with R. Richardson for almost 2 hours, and following subsequent discussion, the committee was recommending that the Authority enroll in the Benecon program, and purchase health insurance through them. He explained that it would involve a three year commitment to be in their program, and the committee was recommending that the WTMA purchase a PPO plan that included no deductible for health or prescriptions. He explained that it was the only plan that most closely approximated the traditional plan the Authority was previously under, but is no longer available.

The Manager explained that the package offered by Benecon was the almost the same as the no deductible package offered directly by Capital , but the cost was slightly lower, and offered the potential of some cost rebates at the end of the year depending on the actual claims of the group. He then went into some detail about how a self-insured plan and the consortium work as opposed to a fully insured plan that would be offered by Capital Blue.

Chairman Eisenhart stated that all the members of the committee went into the meeting with Benecon with doubts and questions about the plan, but following the meeting were unanimous that it was an excellent program and was the best for the WTMA without any penalty to the employees. D. McCarney agreed. Both restated that the initial commitment with Benecon would be for three years, and there may be a cost if the Authority withdraws from the program in order to cover costs submitted after the expiration of the plan year, but agreed that the pros outweighed the cons. The Manager also pointed out that R. Richardson had shared that Benecon has a 99% retention rate within its program.

The Manager reviewed a spreadsheet that he had prepared comparing the costs of the current plan, the fully insured plan from Capital, and the same plan with Benecon. He also shared costs for a dental insurance plan through Benecon with United Concordia and Capital Blue's plan, citing the fact that like the traditional plan the Authority has now, the Benecon plan would not include pediatric dental insurance because neither of the plans are Affordable Care Act compliant.

The Manager presented the recommendation to sign up with Benecon under their no deductible PPO plan, and to also purchase dental insurance. After further discussion, the Board agreed to enroll the Authority with Benecon under their no deductible PPO plan, but deferred any decision concerning additional dental insurance at the present time on a D. McCarney, S. McCleaf motion (5-0).

There were some additional questions from the Board regarding the prescription program with the Benecon program, and the Manager indicated that he would look into it for further information, but did discuss that Benecon's prescription program was a little better than the plan through Capital Blue. The Manager also discussed an added benefit of Benecon's program that involves a care coordinator for medical advice and coordination.

The Board then discussed how to inform the WTMA staff about the change in health insurance, and after discussion determined that the Authority will have someone from Benecon come in and meet with all of the staff to review the new coverage.

WTMA Project Update Report

The Manager reviewed the activities on various WTMA projects for the Month of August. They include:

Old Forge Road – No activity for the month

BRS Pumping Station Upgrades – Multiple submittals have been received and reviewed. The Manager informed the board that construction would be starting on September 12th.

Inflow and Infiltration Reduction - The Manager provided the Board with an updated report in the new format on the activities for the month from A. Zeigler, Project Supervisor. The Chairman pointed out that there was a lot of information on it and encouraged the Board to review it closely.

Adjourn to Executive Session

The Board adjourned to Executive Session to discuss Legal Matters at 8:04 PM on an S. McCleaf, A. Geesaman motion (5-0).

Reconvene to Regular Session

The Board reconvened to regular session at 9:00 PM.

S. McCleaf made a motion to direct the Authority's Solicitor to make the appropriate filings with Judge Larry Pentz against Stan Lesniak in order to recover the tapping fees that were not paid under the deferral policy for 12292 Pen Mar Road. The motion passed (5-0) following a second by A. Geesaman.

D. McCarney asked to amend his motion to enroll with Benecon to specify an enrollment date of November 1, 2015. S. McCleaf seconded the amendment and the motion passed (5-0).

Miscellaneous

A. Geesaman explained that he may not be able to attend the next meeting and inquired whether there would be a quorum given F. Eisenhart's planned absences. The rest of the Board indicated that they would be able to attend.

S. McCleaf asked for a copy of the spreadsheet on which the Manager tracks Board member's attendance, which the Manager said he would provide.

F. Eisenhart reminded the Board that he would not be able to attend the next meeting.

Adjourn

The Board adjourned at 9:06 PM on an S. McCleaf, G. Price motion (5-0).

Sean McFarland, Manager, respectfully prepared these Minutes, and submitted on this 20th day of September, 2016.


D. McCarney, Secretary/Treasurer