

NOVEMBER 20, 2012

Minutes of the monthly meeting of the Municipal Services Commission held November 20, 2012 at the office of the Commission, 216 Chestnut Street. The meeting was called to order at 4:00 P.M. with Robert S. Appleby, President, Commissioner, presiding.

Attendance Report:

Present:

Robert S. Appleby, President, Commissioner  
Daniel F. Knox, Commissioner  
Dr. Roy J. Sippel, Commissioner  
Francis L. Patterson, Secretary  
Pamela A. Patone, Comptroller

### MINUTES

With the concurrence of all the Commissioners the minutes of the October 12, 2012 regular monthly meeting and the October 25, 2012 Executive meeting were approved without alteration.

### RESIGNATION OF SECRETARY PATTERSON AND THE APPOINTMENT OF COMPTROLLER PATONE TO SECRETARY AND ALTERNATE DIRECTOR TO DEMEC

Secretary Patterson tendered a letter of resignation as Secretary of the Municipal Services Commission to President Appleby. He noted in his letter his retirement date would be March 29, 2013. Upon motion made and unanimous approval the Commissioners accepted Mr. Patterson's resignation effective at the conclusion of the monthly meeting. They then appointed Pam Patone as the new Secretary and appointed her to replace Secretary Patterson as the Alternate Director of DEMEC.

### COMPTROLLER'S REPORT

A discussion about the transition of Comptroller Patone to Secretary and a discussion on whether the new Secretary should serve on the Tree Commission occurred. The Commissioners agreed Secretary Patone would serve on the Tree Commission and Supervisor Blomquist would serve in her stead if she could not attend meetings but they expressed their concern that the Tree Commission not pull her away from her Secretarial duties.

Comptroller Patone reported in "Collections" that Converting Solutions was making good faith payments in conformance with the MSC's collection letter to pay the under billed portion of their service over the next six months. She went on to report that "Cash" increased \$59,000 from the previous month and in "Revenue and Expenses" the "Change in Net Assets" was in excess of \$253,000. She said the posted loss continues to be less than the MSC planned in its budget. She told the Commissioners that she allocated 14% of the City appropriation to the Water Department based on gross revenues as previously directed. She added of the \$253,000 "Change in Net Assets" \$213,000 was water and \$40,000 was electric.

The Comptroller said she wanted to bring to the Commissioners attention in her more detailed "Financial Report" the highlighted portion "Net Fixed Assets" which increased \$86,319 due to the purchase of a second truck, labor for Seeds of Greatness Church and for the water main differential and installation at Riverbend. She added that this is the first month that electric showed a gain. She said she had nothing new to report on the Substations. On the Capital Budget she said she sent the Commissioners an update from Assistant Water Supervisor Ryan Jaeger a current quote for implementing the mapping program. She said the capital budget has carried a number of \$ 24,000 for several years while the new quote is \$29,784 excluding travel costs for training. The Commissioners approved the increase in the mapping budget.

Comptroller Patone reported in "Operations" PNC Payer Express shows 264 enrollees and \$58,000 in payments since inception. She added that Auto Withdrawal continues to be used regularly with 263 customers making payments. She said that Heather Gargano began part time work in the Bookkeeping Department as of October 22, 2012. Meter reader Allen Schiff was relocated to the Utility Building and put under the supervision of the Electric Department. Sandy Scott has been asked to contact Telephone Answering Services in anticipation of replacing the automated telephone system as directed by the Commissioners.

She said in "Control Procedures" Supervisor Jay Guyer reviewed the bank statements for October.

The Comptroller said she asked the Commissioners to delay re-investment of the reserve until there was a formal written policy in place. She said she sent a copy of a proposed policy for the Commissioners review and comment and if there were no objections she would ask they adopt it. Upon motion made and unanimous approval the Commissioners adopted the following Investment Policy: **"The investment policy of the Municipal Services Commission is to invest public funds in a manner which will maximize both return on investment and safety to principal, while providing for the Commission's cash flow needs."**

The Comptroller said she was asked to outline how she would re-organize the Administrative Office to accommodate her change from Comptroller to Secretary. She said she sent the Commissioners a list of the items and organizational chart of how she would like to implement her plan and utilize current staff and an additional part time position to accomplish her transition. She said she communicated individually with the Commissioners regarding her proposal and she then went over her proposal once more with them. The Commissioners said they would like to go into Executive Session to discuss her proposal and upon motion made and unanimous approval voted to go into Executive Session to discuss personnel matters. Secretary Patterson and Comptroller Patone were sent from the room. Upon motion made and unanimous approval the Commissioners voted to resume their General Session. President Appleby said the Commissioners have reservations about the Comptrollers plan. The Commissioners explained their reservations and discussed them with the Comptroller. President Appleby said the Commissioners will agree to let the Comptroller implement her plan but they did not approve the administrative salary changes the Comptroller requested.

Upon motion made and unanimous approval, the Commissioners accepted the financial report for the month of October and approved the payment of the October bills attached hereto.

## SECRETARY'S REPORT

Secretary Patterson said DEMEC's Board met earlier in the day in Smyrna. He said Comptroller Patone and he attended the meeting and he introduced Comptroller Patone to the Board as his replacement. He said the Board was asked to adopt a Retail Electric Contract Management Policy to accommodate the City of Newark in their negotiations with the University of Delaware in which DEMEC helped the City negotiate the terms of their power supply agreement with the University. He said the policy is intended to protect the other members of DEMEC from any contract an individual municipality enters into to provide power supply. The Secretary said President McCullar was asking the Board to make a final review of the RPS compliance filing which DEMEC is proposing to submit to the State Legislature and the State Department of Energy on behalf of its participating members. He asked the Commissioners to submit any comments or questions within the next ten days. Commissioner Knox asked if the President of DEMEC's salary had been resolved. The Secretary said the Chairperson and Executive Committee Representative were speaking with the President that day.

The Secretary said he has a signed agreement and release which settles the litigation between Riverbend and the MSC. He said the MSC's attorney Dan McCollom had written a letter recommending the MSC put Cecil Bank on notice they would not provide electric or water to any development without a plan to complete the water and electric interconnections. The Commissioners authorized Mr. McCollom's proposed letter. The Secretary described a meeting with Marc Corvino of Cecil Bank who restated the bank's position that they are not interested in selling individual lots but want to sell the whole Riverbend development package.

The Secretary said the Business Parks are covered in the Water and Electric Reports.

The Secretary said he got a call about lighting the memorial park at the library from Mr. Viola. The Commissioners approved providing the light fixture and installation

The Secretary reported for Supervisor Blomquist in Electric. The Secretary said the electric crew installed conduit and four vaults along Route 273 for the Seeds of Greatness Church. He said they have progressed to an area in the vicinity of the Penn Farm produce stand and are working in a joint trench with the water department. He said Supervisor Blomquist has scheduled Area Utilities to bore under Route 273 the week of November 26, 2012. He added the conductor for the project has been delivered and will be pulled in when all the conduit is laid. He said on Washington Street Supervisor Blomquist was authorized by DelDOT to order the steel poles at the cost of \$16,353. The Secretary said DelDOT has a hard time understanding that Delmarva Power and the MSC must do their work simultaneously along Washington Street. He said they keep assigning different start dates. The Secretary said Mario Medori, who owns the former Brosius Eliason site, is requesting service for a new tenant Byers Electric. The Secretary said Mr. Medori has been told he must develop an electric distribution plan for the site if he wants tenants individually metered. The Secretary reported on tropical storm Sandy and told the Commissioners there was minimal damage. He said the MSC offered assistance to other municipalities and Delmarva Power. He added that electric crews helped the water crew assist the city in cleanup. He told the Commissioner Supervisor Blomquist installed master and slave metering at Centerpoint Business Park to avoid having to totalize billings where dual metering

exist. The Secretary concluded the Electric Report by telling the Commissioners the rear differential on the 1995 dump truck failed and needed to be replaced at a cost of \$5,830.

The Secretary reported for Supervisor Guyer in Water. He said the water crew installed to date a total of 2500 linear feet of water main along Route 273 for the Seeds of Greatness Church. He said there is no resolution by the engineers for installing water and electric in proximity to the large sycamore trees along Route 273 unless it involves directional boring. The Secretary said the project will come to a halt unless an agreed upon solution is determined. The Secretary said that Supervisor Guyer reports that DeIDOT has no start date for either the railroad crossing or the road rehabilitation on Washington Street. He said the engineering quote from Whitman Requardt was amended and increased by \$485 for design of water the main on Delaware Street as a part of the Route 273 Trail Project. The Commissioners approved the increase. He said Comptroller Patone has already spoken about the increase to the Capital Budget for the mapping program. He told the Commissioners the MSC is supplying names to customers of approved testers for the Cross Connection Control program. Secretary Patterson said AC Schultes was low bidder for the water production well on the Penn Farm at \$92,860 and will be awarded the contract.. He told the Commissioners McBride & Zeigler still had not gotten the grading permit for the Utility Yard at 100 Municipal Blvd. He said water crews completed their Fall hydrant flushing program and found one defective hydrant at Riverbend that was tagged and bagged. He said there were no storm related damage to the water system from tropical storm Sandy. He added that water and electric crews helped the city with clean up. The Secretary concluded the Water Report by saying that T-5, a 2000 utility truck, had the front end suspension and steering repaired and new tires for a cost of \$2,500.

### OLD BUSINESS

The Secretary said on the substations the control wires for Wilmington Road have been installed and verified. He added Utility Engineers is working on the wiring diagrams. He said the circuit boards for Wilmington Road have been delivered and were installed the same day. He said the SCADA panel and wiring were installed and now needed to have Keystone terminate and activate the system. The Secretary said Supervisor Blomquist purchased the utility sheds for the gas cylinders at Wilmington Road and Dobbinsville, he only needs to pour the pads and assemble the sheds.

Secretary Patterson and Comptroller Patone briefed the Commissioners on the status of labor negotiations. Comptroller Patone described pension information the Union requested from the MSC.

### NEW BUSINESS

The Secretary discussed with the Commissioners the suggestion that there be a company Christmas party. The Commissioners agreed that this year was too late but could be considered for next year.

NOVEMBER MEETING

The Commissioners set the date of the next monthly meeting to be December 11, 2012 at the office of the Commission, 216 Chestnut Street.

ADJOURNMENT

By motion made and unanimous approval, the Commissioners voted to adjourn.

Approved \_\_\_\_\_  
Date

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Francis L. Patterson, IV