

JULY 12, 2012

Minutes of the monthly meeting of the Municipal Services Commission held July 12, 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 (by telephone)
Daniel F. Knox, Commissioner
Dr. Roy J. Sippel, Commissioner
Francis L. Patterson, Secretary
Pamela A. Patone, Comptroller

Special Guest: Michael Malchione, Auditor, Horty & Horty

PRESENTATION OF THE 2011/2012 FINANCIAL STATEMENT

Mr. Michael Malchione of Horty & Horty presented the 2011/2012 audited financial report to the Commissioners. He highlighted for the Commissioners those portions of the statement he felt should be of interest to them. He concluded with the observation that his auditing team found everything in order and well prepared and that he will finalize the Management Letter and the SAS 114 letter and send it over for signatures. At this point Mr. Malchione left the meeting.

MINUTES

With the concurrence of all the Commissioners the minutes of the June 14, 2012 regular monthly meeting were approved without alteration.

COMPTROLLER'S REPORT

Comptroller Patone presented her monthly reports and told the Commissioners there was a resolution under New Business they need to adopt that restates the Pension Plan into one document per IRS requirements. She told them it is just a restatement and there are no plan changes. She went on to say that Converting Solutions Bankruptcy was complete and the MSC had received its first payment of 138 Dollars which was slightly more than she had calculated. She added the MSC will be sending them a letter requesting a three month security deposit in accordance with the tariff because they are a potential credit risk. She said because of staffing problems she does not have a recommendation for which collection agency she would like to retain.

On the financial reports she said overall revenues are down from last year due to the reduction in electric rates but are up for the month due to weather in comparison to last month. She said the city received its quarterly contribution which is the first payment for the MSC's fiscal year and the last payment for the city's fiscal year. She said as expected the first quarter shows a deficit again reflecting the lowering of electric rates but better than budgeted for. She said as expected

water revenues are up reflecting the changes in rates. She said she has more detail in her Executive Summary if there are questions.

She said she included the substation report up to the end of May and she is waiting for current information from Kimberly at DEMEC. She said Secretary Patterson tells her to expect engineering costs as they work on the Wilmington Road substation control house relays.

She told the Commissioners the Cash Flow Report does not show the fifth year capital project projections and the Secretary and she plan to meet to develop those with the Water and Electric Supervisors.

She told the Commissioners in "Operations" the set up for managing customer deposit interest payments went well with BillMaster. She said as she mentioned earlier she is short staffed with a key employee out on medical leave. She said she also has one staff member leaving to attend a BillMaster training seminar so she will be handling many of their tasks while they are out. She said she needs a decision from the Commissioners whether the MSC will pay BillMaster the \$3,825 fee for setting up the transfer files to handle "e-check" payments. The Commissioners discussed the charge and upon motion made and unanimous approval agreed to pay the aforementioned fee to BillMaster to set up the transfer files.

Comptroller Patone said as part of her efforts to install financial controls, which she spoke about at the previous month's meeting, she asked the Secretary to open and review the bank statements for June. She said she will have all the Supervisors take turns doing this. Commissioner Knox asked if Supervisors were restricted as to how much money they could approve. Secretary Patterson said they are not but each invoice goes through four pairs of eyes before it is approved to be paid.

Comptroller Patone told the Commissioners the MSC applied for the State Workers Compensation discount which required a Safety Inspection of the MSC's facilities and safety policies. She explained how the program worked and the costs and said the Inspector was complimentary about the MSC's operations. She said while they have been notified that Worker Compensation rate classifications have increased the MSC should receive a 17% discount on their premium.

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

SECRETARY'S REPORT

Secretary Patterson reported June's DEMEC meeting was cancelled. He said the only DEMEC related activity was a last minute attempt by Senator Harris McDowell to introduce an amendment to the RPS (Renewable Portfolio Standard) that would have increased the amount of solar credits a utility would be required to purchase and those credits would have to be small roof top installation credits. The Secretary said the bill was defeated but will most likely reappear in January. He added that Senator McDowell is one of the Chairs of the SEU (Sustainable Energy Utility) and they are pushing for small scale solar projects.

Upon motion made and unanimous approval the Commissioners voted to go into Executive Session to discuss legal matters regarding the lawsuit between Riverbend and the MSC. Upon motion made and unanimous approval the Commissioners voted to go back into their General Session.

The Secretary said there was nothing to report in the Business Parks.

The Secretary reported for Superintendent Blomquist in electric. He said Supervisor Blomquist reports that EnerNoc has still not interfaced with the meter the MSC installed at Zenith. He said UltraChem has an approved plan and application and will begin installation of the solar rooftop panels on July 16, 2012. The Secretary said there have been three electric outages since the last meeting on June 14th. Two he said were a result of squirrels on Hyder Alley. He said the reclosures for this circuit failed to operate because the settings had been changed. He said this was a preventable outage and he discussed with the Supervisor how to make sure that settings in the electric system are properly set. He went on to say the third outage was a limb behind VanDyke Village which fell on an electric line. He said Comptroller Patone already spoke about the workplace safety inspection. The Secretary said one of the inspection locations was the Dobbinsville substation where the inspector suggested the spare nitrogen bottles be stored in a locked cabinet. Supervisor Blomquist will come up with a cabinet to install. The Secretary said both electric and water are waiting for permission to proceed on securing materials for the Seeds of Greatness Church project. He said it is now unlikely the MSC can meet the church's delivery date of end of September. The Secretary said electric crews helped the water with the restoration of the sidewalks in Buttonwood. He said lineman Kent Schmeusser was experienced in concrete work so he took charge of the project. The Secretary said the electric crew is clearing brush and vegetation behind Van Dyke Village to clear the utility easement. He said he walked this with Supervisor Blomquist to look at the obstacles. He went on to say that in personnel that journeyman Dave Bennett completed his fourth year of training as a lineman and that Ryan Auger his first.

The Secretary reported for Supervisor Guyer in water. Supervisor Guyer reports he is waiting for final plans for the Seeds of Greatness Church from Monica Sloan of McBride and Zeigler. On the Washington Street DelDOT project both water and electric have received "Letters of Agreement" from a Deputy Attorney General. The Secretary said the Agreements need to be re-written to reflect the correct parties and to address other deficiencies. Secretary Patterson said Supervisor Guyer learned what needed to be done to request an open trench installation for the railroad crossing for the Washington Street water line at Commissioner Appleby's request. He said he still is required to do all the engineering work and application for a jack and bore crossing. Commissioner Appleby said he would talk with Supervisor Guyer. He said the Electric Department helped Supervisor Guyer to install the conduit for the water security systems. The Water Department restored sidewalks in Buttonwood and patched the paving on Ferry Cut-Off where they moved the fire hydrant. Compliance letters have been mailed by Hydro Design to commercial properties for cross connection compliance. The Secretary said as he reported to the Commissioners in an email AC Schultes hit a very good strata of gravely sand which produced 181 gallons per minute flow in a pump test. He said the MSC is now testing the water quality. The Secretary told the Commissioners that Supervisor Guyer followed up with City

Administrator Thomas on the information he developed about New Castle's fire insurance rating. He said staff will meet to finalize the work Assistant Supervisor Jaeger has done on updating the MSC's safety and procedure manuals. In building maintenance the Secretary said the men replaced the floor tiles in the lunch room and their desk areas at the MSC's Utility Building. He went on to say it was reported that a building inspection was done for the Workman's Compensation Insurance discount application and additional exit signs at 216 Chestnut Street and 100 Municipal Blvd. were identified as being insufficient. The Secretary said a customer sent an email identifying an error in the MSC's "Consumer Confidence Report" for water quality. The Secretary said the MSC will make the correction and publish it. The Secretary told the Commissioners there are 7 water meters which still require changing to radio read and the Water Department is working on those changes. The Secretary said Supervisor Guyer received quotes to update and replace hardware and software for the automated meter reading which will need to be evaluated. He concluded by telling the Commissioners that Greg Spiess and Tom Brewster completed courses and an exam and received their chemical feed endorsements for their water operator's license.

OLD BUSINESS

The Secretary said that work has begun at the Wilmington Road substation to install the new relays. The work is being done for the most part by MSC personnel under the supervision of Norm Baron and Jim Havrilla of Utility Engineers. He said Supervisor Blomquist had a spray applied at Wilmington Road substation to control weeds.

The Secretary said he has been going on line to check but it doesn't seem that the Governor has signed the bill for the MSC's charter changes as of yet.

NEW BUSINESS

The Secretary introduced a "Certificate of Adopting Resolution" attached hereto consolidating the MSC's pension documents as required by the Internal Revenue Service. Upon motion made and unanimous approval the resolution was adopted.

JULY MEETING

The Commissioners set the date of the next monthly meeting to be August 22, 2012 at the office of the Commission, 216 Chestnut Street.

ADJOURNMENT

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

Approved _____
Date

Francis L. Patterson, IV

CERTIFICATE OF ADOPTING RESOLUTION

The undersigned authorized representative of the Municipal Service Commission (the Employer) hereby certifies that the following resolutions were duly adopted by Employer on _____, and that such resolutions have not been modified or rescinded as of the date hereof;

WHEREAS, the Employer is a Governmental Agency and, therefore, its pension plan is not subject to ERISA. For ease of adopting this plan restatement to comply with various tax law changes, the Employer is utilizing a Volume Submitter Defined Benefit document; however, the references to ERISA are in no way intended to subject this Plan to ERISA rules. As a Governmental Agency, the plan can not be subject to ERISA and all references to ERISA, and to any and all provisions in this restatement are not required to be included in a plan of a Governmental Agency, are to be ignored.

RESOLVED, the Restatement of the Pension Plan for Employees of Municipal Services Commission, effective January 1, 2012, is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the restatement.

The undersigned further certifies that attached hereto is a copy of the restated Plan Document approved and adopted in the foregoing resolution.

Date:

Signed: _____

[print name/title]
