

Vice Chairman Rodney Shearer called the meeting to order at 1:30 p.m. After the arrival of Lee Hall at 2:17 p.m., the balance of the meeting was turned over to him. Supervisors present: Rodney Shearer, Dennis Luckenbaugh and Lee Hall at 2:17 p.m. Others present: Township Manager Joy Strausbaugh, Road Master Nelson Brenneman, Road Foreman Russell Fuhrman, Solicitor William Poole, Gil Picarelli and Greg Hertz of KPI Technology.

The purpose of this special meeting was announced - to consider restoration of the roads due to sewage system construction and any other business at hand. The meeting was properly advertised.

I. General Public Comment

None at this time

II. Engineer's Report

Mr. Picarelli opened by saying that NCT directed KPI to look over the C.S. Davidson inspection reports with regard to the sewer installation. Solicitor Poole interrupted Mr. Picarelli to advise the Board on whether or not this information should be given in Executive Session due to potential litigation. If there is discussion on legal theories then the Board should definitely go into Executive Session. For the present time, it was decided to continue on and if the Solicitor thought the discussion was heading into legal territory, he would stop them. The Manager pointed out that the discussion will not get entered into the record unless it is done in open session. It was decided to proceed. Greg Hertz picked up the discussion by going over what he had learned through the inspection reports. Advantage Engineering provided the letter backing the original compaction testing done by their firm as well as the results. Advantage (specifically their President) had also offered to provide someone to come to this Board and explain their methods and results. They have been using this test method for the last twenty-two (22) years for the exact same reason it was being used here. In going through the inspection reports, it was noted that all of the testing was done at field grade, after the ditch was filled, it was tested after the last compaction. Greg specifically pulled the inspection reports from the area that the Township tested. The CSD test was done at top grade, 8" down. The CSD test results were 99.7, 99.4 and 99.5. The top layer did test good at 99.8 when the Township tested it, but it was worse with each lift. In the beginning of the line installations, there was one inspector in general that notes that there was no rubber tired vehicle or protection taken on the road surfaces. That stopped shoeing on the reports after about the first month. When the Township did their testing, it was also noted at that time, the amount of damages to the roads outside of what the restoration was going to be. Last week an e-mail was received from Terry Myers that Gregory Contractors was ready to start the final restoration. KPI advised them to stop. Who is going to be on the site determining what the limits of restoration are going to be - if there was damage over and above the areas the contractor is planning to restore? Who will have final say on it? Gil reported that Terry Myers did respond by e-mail, that if you wait too long, basically you are going to incur costs for holding up the contractor.

Both Nelson and Russell reported that the girl (Debbie Lee) who did the testing for CSD did not have to hammer nearly as hard to drive the test pin into the area being tested, yet they seemed to get good results. Russell reported that when the Township was testing and they reached about the four foot (4') level, the guy did not even have to hammer the pin into the ground, he pushed it in with his hand. Greg asked if all of the testing that Nelson witnessed was at the top of the surface. No, some of the tests he witnessed were at about three feet (3'). This was about two (2) weeks ago on White Drive.

Bill Poole questioned if there was anything specific in the specs for the sewer system that indicated at what levels the compaction tests had to be done. Greg's response was that the Sewer Authority had the testing at four foot (4') lifts. At one of our previous meetings at the Field Office, Gary Gregory produced the literature from the manufacturer for a new device that he had bought that clarified the piece of equipment could compact four feet (4') of material. In the contract, it states that the contractor could do larger lifts if he could prove, from the manufacturer, that the equipment could compact at 98%. Gary had that documentation and stated that anything less than four foot (4') lifts, the device would drive the fines out and the compaction would not be able to be met. Per Gil, the specs allow for the contractor to do larger lifts if he can meet the compaction rates. They are not compact testing on the lower levels. The Solicitor reiterated if the tests are not being done per the specs, it is a two fold issue. First is the issue with the contractor and second is the issue with the Authority and their engineer. It seems the Township has both of those issues. If this matter ends up in litigation, you cannot avoid the Authority being one of the parties. It would involve a tort claim against the contractor for damaging our roads, but it would be against the Authority because they hold the contract and authorized the disturbance of the roads. Rodney stated that it is still his hope that the Township will be able to sit down with the Sewer Authority and explain the issue to them. It is not his intent to proceed to litigation. Bill's advice is to keep the attorneys out of it as long as you can.

KPI's recommendation is that the Township not take the money being offered in lieu of the road restoration and keep the contract the way it is. With the increases seen in the price of the road oil and materials, the Township will not be able to effectively price out what this job would cost in the next couple of years. It is also their recommendation to extend the maintenance bonds to 3-4 years. If the work is going to settle, it should do so in that time frame. The longer you can hold off to do the work, the nicer the job will be, per Gil. As the Township, it is KPI's recommendation to write a letter to the Authority, noting all of the issues found in the inspection reports: this is their project and what are they willing to do about it? Nelson asked why it wasn't in the contract to do compactions at lower levels in these deep trenches? The Solicitor pointed out that it is the responsibility of the Authority to see that the specs are met. If the Authority hires experts to do that, then the engineers are the agents of the Authority. Rodney questioned what is the recourse if that inspector does not make sure it is done? The recourse would be to file against both as noted above. The Authority would have a technical violation - the law follows the No Harm No Foul rule. Just a violation in and of itself does not necessarily lead to an actionable claim. Along with the breach, there has to be damages. The harm in this case is projected, it has not happened yet. The Authority could not go after CSD without going after Gregory. KPI will put a letter together and send it to the Township and Bill, let each have their input on it and send it out to the Authority on the Township letterhead. The Solicitor pointed out that the Township is not part of the loop with regard to the bond. That bond is strictly between the contractor and the Authority. One way for the Township to have any say in the matter of when the bond is released is to be included by way of an agreement with the Authority that the bond will not be released until the Township approves or something of that matter. There are a variety of ways the Township could be included. As it stands, the Authority could simply ignore the Township's wishes. The Solicitor thinks that it is important for the Township to be included in the loop of this bond issue on a legal basis. The conversation then turned to which bond would be affected - the performance bond or the maintenance bond. With regard to maintenance, the bond would not come into play until the contractor refused to perform the necessary maintenance within the allotted length of the bond period. The letter also needs to say that as maintenance is required within that four year (or whatever length of time is selected) time period, those corrections will be made as well. KPI will start by putting the engineering aspect on paper and then

forward to Bill for the legal aspect and then forward to the Township for review, before sending to the Authority.

Nelson brought up the subject of curbs that have been damaged by the sewer installation. Who is responsible for the curb restoration? Normally, curb replacement is the homeowner responsibility. Nelson is concerned that this issue does not come back to the Township. Maybe, this is another issue that should be addressed by the letter.

KPI brought up the issue that as restoration of the streets begins, who is going to go out and check on the extent of the restoration? Who will determine the limits of restoration, Gil questioned? The Manager pointed out that at the prior meeting with the contractor at the field offices, it was agreed that the Road Master and Road Foreman and anyone the Township elects would walk the project with the contractor and develop a punch list and mark the roads as they go. Gil suggested that a meeting be set up with the contractor to walk the areas they intend to start restoration on. Rodney questioned if this would begin before the compaction issues are settled. Bill asked if that would matter - the maintenance issues have to be covered. The letter should be issued before final restoration begins so that all parties understand the terms. It was discussed who the letter should be sent to, whether or not to copy to CSD and Gregory. The decision was that the letter be addressed to the Sewer Authority - CSD and Gregory work for them.

Chairman Hall questioned Nelson as to what had occurred at the Sewer Authority meeting the previous evening. The letter of concern with regard to compaction that was sent to the Authority was only discussed in terms of wondering when the Township was going to take action on the compaction as the contractor wanted to start restoration. The Engineer was questioned by the Authority on several issues with the result that the Authority stuck together and did not grant all of the Engineer's requests. Rodney questioned whether the compaction was discussed at all. Earle Wolfe suggested that maybe there should be a 4 or 5 year maintenance bond.

Supervisor Shearer stated that he will be satisfied as long as the new letter gets written and out to the Authority as soon as possible. Gil will try to have their part of the letter together by tomorrow. Mrs. Strausbaugh pointed out that it is up to the Sewer Authority to take a stand on the issue of street restoration. The Township has pointed out the issues in a prior letter to them, shown them the proof of what is buried in their trenches, now it is up to them to decide their stance on this issue. Supvr. Shearer stated that his personal viewpoint is to have the Township step back - place this issue in the Authority's hands and let them handle it. However, the Township will get the calls about the condition of the roads and Mr. Shearer wants it plainly stated to the Authority the Township is holding them responsible for the condition of restoration to the roads. **Motion** by Luckenbaugh, second by Shearer authorizing KPI and Solicitor Poole to write the letter to the Sewer Authority as discussed and give the Chairman the authority to sign the letter upon Supervisor approval of the letter. All members voted aye; motion carried.

III. Solicitor's Report

A. Refuse Fees - The Manager is recommending that the refuse fee for the new contract which goes into effect on July 1, 2007 be set at \$190 annually, to be billed in six (6) month increments of \$95.00, with a rebate of \$10 if the annual amount is paid by July 1st. This fee allows for an administrative fee of \$13 per year on each account. Chairman Hall asked if the Manager is comfortable with that amount. Approximately, half of the customers or better, take advantage of the discount rate - the amount of interest generated from that covers the administrative part. Solicitor Poole presented Resolution #06-05-2007, setting refuse fees for Township residents. **Motion** by Hall, second by

Luckenbaugh, to approve Resolution #06-05-2007 setting the refuse rates as outlined above to cover the period from July 1, 2007 to June 30, 2010. All members voted aye; motion carried. Supervisor Luckenbaugh brought up the issue of the residents who fail to pay their bills in a timely manner - some form of penalty should be applied. The penalty section is already included in the original ordinance, however, upon former Board direction has never been applied. **Motion** by Luckenbaugh, second by Hall to enforce the refuse penalty section of Chapter 154, section 11 of the NCT Code, to become effective July 1, 2007. All members voted aye; motion carried.

IV. Old Business

A. Buffalo Valley Culvert - Road Master Brenneman questioned the Buffalo Valley culvert bid opening for tomorrow. He is asking if the Board could make a motion at this meeting today to award the bid. The Manager objected, saying that this Board cannot award a bid they have not opened or reviewed. He came back with the argument that the motion could include "if it is a reasonable bid". The Manager asked who would decide that. He then questioned if it could be awarded at the opening - No, because it was not advertised as a meeting. The Supervisors will not be here. Mr. Brenneman explained that due to the mixup with bidding the culvert without the wing walls, this project will be very delayed. The specs call for an eight (8) week delivery of the culvert. Mrs. Strausbaugh pointed out that it was unforeseen circumstances with the transition of engineers and cannot be helped. The Solicitor interjected that you need to have the opening as planned: this Board can only act on the numbers they see. **The Solicitor was allowed to leave at this point.

B. Township Insurance Proposals - The Board moved on to discuss the general insurance proposals received for the Township. There were two (2) proposals - one from Weber Insurance in Hanover and the other from Keystone Insurers Group in York, who are our current carriers. Both Weber and Keystone did a rebuttal to each other's allegations on their proposals. Rudy Kocman of Keystone Insurers Group prepared a very thorough rebuttal with copies of the policy pages, highlighted to the individual sections referenced. One of the main issues Weber brought forward, was the coverage of the Directors and Officers at the Fire Company. Mr. Kocman rebutted that the Directors and Officers are covered, referencing definitions, etc. Mr. Luckenbaugh stated that he is not an insurance person and is not real familiar with a lot of what is being discussed; however, he did pick up on some of the equipment issues. There was a John Deere excavator still showing on the policy that was just a rental piece. These issues were already brought to both companies attention. The dividends were discussed. Because dividends are paid over a three (3) year period, the Township stands to lose the two (2) years of funds built up or about \$2400. Also, it will take several years to build back up to that point. The deductible differences were explained: there is a difference of \$500 on the public officials liability deductible. The Supervisors questioned why the Township had not seen premium reductions until we went out for quotes. Doug Truax of Keystone explained that the market had gotten "soft" over the last two (2) years. The Manager questioned why the Township had not seen a reduction last year due to this market change - the answer was that one does not see the results until the following year. He also added that the Township would probably have seen about a ten percent (10%) drop this year, prior to receiving proposals. A soft market creates a lot of activity, brokers seeking other clients is part of that process. Mrs. Strausbaugh expressed concern with regard to the Value Guard, which Weber had and Keystone did not. Mr. Kocman who represents both Selective (company Weber was quoting) and EMC (our current carrier), brought sections along from the Selective manual. That coverage is not quite what was understood from Weber's presentation. The company will replace the full value up to the limit of coverage. The point is that the Township, as the client, should insist on updating coverage amounts each year, especially on the Fire Equipment, to have more current replacement values. This increases

the cost of the premiums. The Manager expressed the thought that Weber did an excellent job of preparing all of this information and would have no qualms about switching to Selective. Selective and EMC are both excellent companies and are about the only two (2) that provide municipal coverage. However, for continuity sake and not to lose the dividends that we have built up, would have to recommend that we stay with Keystone Insurers Group. Mr. Hall stated that the dividends are always the dangling carrot to keep the customer there and he believes fully, had Weber not quoted the Township, we would still be facing \$30,000 in premiums this year, rather than the \$24,000 plus or minus that we are looking at. Workers Comp was not quoted by either of the two (2) companies. Since the Township has been in KMIT (Keystone Municipal Insurance Trust), no one has been able to even come close to a bid on this insurance. The Township was one of the founding members and receives very nice dividends there. Weber's quote on the insurance package is \$24,431. To add the additional coverage which Keystone has rebuted that the Township currently has would add \$625.00, bringing the Weber total to \$25,056. The Keystone quote on the package is \$24,521. Chairman Hall pointed out that the only reason we are sitting here with these lowered premiums is because Keystone had competition. It is very difficult to retain Keystone with that thought in mind; however, the dividends lower the cost even more. With just the least amount of dividends, the cost would lower to \$22,921 on the Keystone package. Dividends could not start until at least 2010 with Selective. The Supervisors felt that Weber should be commended for their initiative. They came in and did their homework and produced a very creditable proposal. In comparison with other municipalities, the Township has always had moderate increases, even after 9/11. However, on the other side the loss runs have always been low and very conservative. Chairman Hall asked about the service record for Keystone - excellent. There has never been any service issues. Keystone has two (2) agents assigned to us and requests for service have been prompt and thorough. The situation really comes down to a fiscal one. In discussion, the Supervisors looked at the the loss of \$1600, at the very least, in dividends and agreed to stay with Keystone and the EMC coverage. **Motion** by Luckenbaugh, second by Shearer to award the June 1, 2007 through May 31, 2008 insurance to Keystone Insurers Group with EMC Insurance. All members voted aye; motion carried.

C. Supervisor Shearer had occasion last week to accompany Robert Hilker to Mike Waugh's office with regard to the Hilker incident with the SWRPD. What the Senator's office is trying to do is guide Mr. Hilker through the process of taking action against the police without having to hire an attorney. Mr. Hilker had requested that Mr. Shearer accompany him. One of the Senator's aides indicated that their office gets quite a few complaints against SWRPD. People are afraid to make direct complaints because of retaliation from the PD. The aide asked why the Police Board does not take a harder stance with the PD. The aide produced DCED paperwork that indicates that this Board of Supervisors has the responsibility to make that Board act responsibly. If this Board is not happy with the action taken, such as the Hilker issue, this Board needs to demand stronger action. This action on the Hilker issue is going to be reviewed by Ron Stern at DCED. What action he will take, if any, remains to be seen. In the discussion in Waugh's office, Mr. Shearer was stunned to realize that much of the paperwork and letters of communication on the Hilker issue are very contradictory. The reports state that "she" (Mrs. Hilker) turned down the request for medical assistance and yet Chief Bean states that Officer Matthews talked to her five (5) minutes before she got in the ambulance. There were a lot of inconsistencies. The Chief's responses to many issues are not consistent. Another incident was that it is mandatory that the officers walk through the schools each day. When Supervisor Shearer questioned why it was mandatory, the Chief said it was the law. However, Rodney has checked with other police departments that do not do that. What is the necessity to walk through New Salem Elementary each

day? Rodney has asked how the vacation checks have just gone away? For several months, NCT had almost a hundred calls per month. Did they just stop calling? What happened to them? The Chief responds that apparently there is just no one going on vacation. There are never any answers. The Chief should have to answer questions with a sensible answer. Another incident that comes to mind is that the Chief reported that State Police will not help them. Recently, Dave O'Brien, Larry Miller and the Chief went to the State Police and yes, they will be glad to help with any case - they just have to be asked to help. The question has still not been answered how the PD made it through the 2006 year on eight (8) months of the 2005 budget without laying off the two (2) officers they stated would lose their jobs. The Chief made a point to send a letter out to the public and to NCT and get it in the newspaper that two (2) officers would have to be laid off. How did he (the Chief) pull off such a miracle? Questions are never answered. Chairman Hall stated either the man cannot figure out a budget or he simply does not tell the truth, or both. Yet, here we are - still dragging out the old history. We need to move forward and stop this kind of thing. Mr. Shearer said that the Chief has to be held responsible for his words and his actions. He (Chief) should have to admit that he was wrong - it would send the message that he is being held accountable. The Hilker incident is not that far past. Chairman Hall indicated that he had questioned the Chief on the Hilker incident and had gotten the same old response that the DA had not wanted to pursue it. Then nothing happened. Mr. Hall questioned what Hilkers' choices are at this point - to go through DCED or go to a public suit? Rodney stated that Waugh's office indicated that the Hilkers need to hire an attorney. Most of the attorneys are very expensive. The lawyers who file suit get a cut of the settlement, they do not want cases like this that bring in no settlement, which causes the costs to balloon. Most attorneys contacted did not want the case - there isn't enough money in suing a PD. Senator Waugh's office made it clear that the responsibility still falls back to the municipal board. You can't take a case to the State Attorney General's office until you can make a case that a law was broken. The basic law is that this Board needs to hold this Chief accountable, per Waugh's office. The Manager related that she had been called at home over the weekend about a sexual abuse case that occurred in NCT and part in Shrewsbury. Our SWRPD handed the case over to State Police. Why didn't they handle the case jointly? The bulk of the case happened in NCT. Are we really getting the service we pay for? Mr. Hilker had also related to Waugh's office the case of the SWRPD officer going through school bus red lights. The School District had filed the case because the bus company was afraid of police retribution. The PD would not take any action because the bus driver could not make a personal ID of the officer; however, the vehicle was noted as the Lumina. There was only one Lumina in the PD. The Chief didn't know who was assigned to the Lumina? Waugh's office was amazed that the School District would settle for such an answer, but this Board does not have to settle for these vague answers. There is no management in the PD. Mr. Shearer made the point that he is not trying to drag up old issues, but he is going to keep asking the same questions until he gets proper response to them. Mr. Shearer stated that since he has seen the Hilker report, he is aware of all the inconsistencies that surround this case. All Mr. Hilker wanted was for someone to be cited for this incident. There are so many discrepancies in the report. Mr. Hall admitted that the case was not well handled. The insurance company for Hilkers did interview the defendant several times and each time gave conflicting stories. At first the defendant did not know if he hit anything, yet later he was pretty sure he had seen an umbrella. Supervisor Luckenbaugh was not sure what this Board can do about it - normally, nothing comes of any complaint we make. Supervisor Shearer responded that this Board has to ask the questions and demand they be answered sensibly. Does the Township want to let the Hilker incident lay or should the questions be asked about all the inconsistencies in the report? Rodney brought up to the Police Board that they are charged with reviewing complaints such as Mr. Hilker's, yet Rodney never

saw a Police Report or anything connected with the case. All they had to act on was the Chief's accounting of the whole situation. If some of that Board had seen the documentation, they may have had questions as well. Dennis made the point that he has made before - people are scared to make complaints about the police. Rodney asserted this Board needs to take a stand and he is going to continue to take a stand and get answers to these questions. The Hilker incident, the school bus incident - these things are making a laughingstock of the municipalities that pay for this substandard service. With three (3) officers on patrol and only one (1) Lumina, it should be a simple matter to determine who was driving the car that went through flashing red school bus lights. No further action was taken.

The Board adjourned to Executive Session to discuss the personnel meeting that had been held. The Manager was excused. No action was taken.

Motion to adjourn was made by Luckenbaugh, second by Hall. All members voted aye; motion carried. The meeting adjourned at 4:48 p.m.

Respectfully submitted,

Joy Ann Strausbaugh, Secretary