

REGULAR MEETING
BOROUGH COUNCIL
MALVERN BOROUGH

October 19, 2010
7:30 P.M.

PRESIDING: Woody J. Van Sciver, President

INVOCATION: Gerard J. McGlone, Mayor

PLEDGE OF ALLEGIANCE TO THE FLAG

1. ROLL CALL:
Council President Van Sciver
Council Vice President Raymond - Late
Council Member Lynch - ABSENT
Council Member Macaleer
Council Member McCrory - ABSENT
Council Member Sponenbergh
Council Member Uzman
Mayor McGlone

2. PUBLIC FORUM:

Council President informs all present that copies of the agenda are available at the front desk. This is a Public Session of Council. Should any citizen/taxpayer wish to offer comments on any item on the agenda, now is the time to bring those comments before Council. Are there any citizens/taxpayers who wish to bring before Council any item not on the agenda?

There were no comments from the public.

3. APPROVAL OF MINUTES:

A motion was made by Council Member Macaleer, seconded by Council Member Sponenbergh and unanimously carried by a vote of 4-0 to approve the minutes of the Regular Meeting held on Tuesday, September 21, 2010, as submitted.

4. APPROVAL OF REPORTS:

A motion was made by Council Member Uzman, seconded by Council Member Sponenbergh and unanimously carried by a vote of 4-0 to approve the Treasurer's Report, the Committee Reports for Finance and Administration, Public Safety, Public Works and the Chief of Police Report, the Code Enforcement Officer's Reports (Building Inspector's Report, Housing and Property Maintenance Report and Zoning Report), the Superintendent of Public Works Report and the Manager's Report for the month of September 2010, as submitted.

5. OTHER BUSINESS:

- a. Draft Snow & Ice Ordinance – Council agreed to proceed with advertising this Ordinance for adoption at the November 16th Regular Meeting.

- b. Resolution for Real Estate Tax Installment Payments – the Manager explained that

the wording on the tax bills was somewhat ambiguous and the purpose of this resolution is to clarify the language so that everyone understands when the installment payments are due.

Council agreed to consider this Resolution for adoption at the November 2nd meeting.

c. Investment Manager for Pension Plans – Council Member Sponenbergh reported that on October 13th the new actuary, Bill Hildebrant from Beyer-Barber, was meeting with the employees to review the pension plans and to answer questions. Following that meeting, Council Members Sponenbergh and Macaleer had an opportunity to also meet with Mr. Hildebrant to review the pension plans. Mr. Hildebrant specializes in municipal plans and was quite familiar with legislation that defines what municipalities can and cannot do. Unfortunately, Beyer-Barber does not provide investment management services so it is necessary to find an investment manager who can provide guidance on future investments. The Finance Committee would like to revisit the issue of the plan assets being invested in common stocks and bonds.

The uniformed and non-uniformed plans are extremely well funded and we are in a very enviable position because we will not be faced with the shortfalls that other municipalities may be experiencing.

Two different actuarial assumptions and methods are being applied to the uniformed and non-uniformed plans. In today's market, it seems a little aggressive to assume a 6% rate of return. When we questioned the rate, Mr. Hildebrant explained that the assumed interest rate is specified by state statute that must be assumed to be between 5-9%.

It was also pointed out that they used a "smoothing" method for the non-uniformed plan but not the uniformed plan. Council Member Macaleer stated that he had some questions about that methodology.

The non-uniformed plan is overfunded and the question was raised as to why we must make a contribution this year. The answer is that the required contribution has to be attributed to the benefits earned in the current year. If we don't make a contribution, we would fall behind and next year would owe a higher contribution.

(Council Vice President Raymond arrived at the meeting)

d. Delaware Valley Health Insurance Trust – the Finance Committee, along with the Mayor, met with representatives from DVHIT to explore alternative medical providers. DVHIT is a non-profit organization that provides health insurance plans to municipalities and school districts. They are underwritten by Aetna. They are able to duplicate the current benefits and, in some cases, improve the benefits, at a 5% savings on premium. This is a self-funded plan. There is not a ton of risk for the Borough. Conceptually, it makes all the sense in the world. There is a two-year commitment and we have requested from them a rate cap in the second year. They responded that if they provide the cap, they could seek a third year commitment. The network of providers is almost identical to that of BC/BS so there should be minimal disruption to the employees. Their dental plan is with Delta, our current provider, so there would be no change in coverage for dental. There would, however, be a savings to this plan, as well. The Finance Committee is recommending that we make a change from our current provider to DVHIT. Council agreed to go forward with this recommendation.

e. Malvern Fire Company – the Finance Committee met with the Fire Company who just wanted to keep the Borough in the loop regarding further discussions they had following their presentation at the last meeting. At this meeting, they estimated the cost of their project to be in excess of \$2M and they received a grant for \$1.2M. They are looking at having to raise close to \$1M in order to push this project forward. They will look into increasing their grant amount, incurring additional debt and scaling back some of their plans.

6. ADJOURNMENT:

All business having been discussed, a motion was made by Council Member Uzman, seconded by Council Member Sponenbergh and unanimously carried by a vote of 5-0 to adjourn the meeting at 8:10 p.m.

Respectfully submitted,

Sandra L. Kelley
Secretary/Manager