

May 18, 2015

A continued meeting from the adjourned May 6, 2015 regular scheduled Borough Council meeting was held on May 18, 2015, 7:30 p.m.

The following members and officers were present: President L. James Roberts, Vice President Donald Rosenberger, Councilmembers David Erwin, Michael Johnson, Douglas Propst, Lisa Gaier, Jann Paulovitz, Jack Gross, Solicitor and Manager Scott C. McElree.

Councilman Rosenberger stated that the Borough's primary electric contract with American Municipal Power is expiring the end of year 2017, but with the energy markets at relatively low prices there was an option to extend the contract for five more years with an approximate 16.5% decrease from what the Borough is currently paying. The new contract would begin January 1, 2018 through December 2022. This is for the base price of the Kilowatt, one component of the greater costs that the Borough pays.

Visitor: Steven Biddle, 130 S. Main Street, questioned why this contract was not put on a previous agenda. Manager McElree stated that the details of the contract were only received during the past week.

REVENUE & FINANCE COMMITTEE

RESOLUTION NO. 80-15

A RESOLUTION AUTHORIZING THE EXECUTION OF 2018-2022 NON-POOL ENERGY PURCHASE SCHEDULE WITH AMERICAN MUNICIPAL POWER, INC. ("AMP")

WHEREAS, the Borough of Quakertown, Pennsylvania (the "Municipality") is a political subdivision organized and existing pursuant to the laws of the state of Pennsylvania which owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power (capacity) and energy requirements of its electric utility system, the Municipality has heretofore purchased economical and reliable power and energy from AMP, an Ohio non-profit corporation, of which the Municipality is a member, or has heretofore purchased power arranged by AMP; and

WHEREAS, the Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly through AMP, endeavors to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to its customers; and

WHEREAS, Municipality has executed a Master Services Agreement with AMP which sets forth the general terms and conditions for the provision of power supply and other services by AMP to the Municipality; and

WHEREAS, AMP will negotiate with one or more reputable and financially sound third party power suppliers to enter into an agreement(s) to purchase electric energy for a term of four years, which will provide an economical source of electric energy (herein "Long Term Energy Purchase(s)") for Municipality and other AMP Members; and

WHEREAS, AMP, on behalf of the Municipality, desires to purchase from third party supplier(s) and then to resell the energy available from these Long Term Energy Purchase(s) on a long term basis to Municipality at contract cost (excluding any taxes, transmission costs, replacement energy, losses, congestion costs, or AMP service fees) not to exceed \$79.00 per MWh; and

WHEREAS, AMP, has prepared and delivered to the Municipality the form of a 2018-2022 Non-Pool Energy Purchase Schedule, pursuant to which the Municipality may purchase electric energy; and

WHEREAS, AMP has provided and will continue to provide appropriate personnel and information regarding the Long Term Energy Purchase(s) to the Municipality, as such officers and representatives of the Municipality deem necessary or appropriate, to enable the Municipality to evaluate the benefits and risks of the Long Term Energy Purchase(s), to take actions contemplated by the Resolution hereinafter set forth and to determine that the same are in the public interest; and

WHEREAS, in recognition of the unique nature of the Purchases described herein, competitive bidding is not required on the Municipality's purchase of energy, through the 2018-2022 Non-Pool Energy Purchase Schedule, however, any competitive bidding requirement that might otherwise be applicable for the purchase of any power and energy through the execution of the 2018-2022 Non-Pool Energy Purchase Schedule authorized by this resolution, should be waived; and

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE BOROUGH OF QUAKERTOWN, PENNSYLVANIA.

SECTION 1. That the form of the 2018-2022 Non-Pool Energy Purchase Schedule between this Municipality and AMP, substantially in the form attached hereto as Exhibit 1, is approved, subject to and with any and all changes provided for herein and therein.

SECTION 2. That the Borough Manager or the Borough Manager's designee are hereby authorized to execute the 2018-2022 Non-Pool Energy Purchase Schedule and to acquire the Municipality's energy from Long Term Energy Purchase, with a term of five years, and with a third party contract price (excluding any taxes, transmission costs, replacement energy, losses, congestion costs, or AMP service fees) not to exceed \$79.00 per MWh, and is further authorized to execute and deliver any and all documents necessary to participate in Long Term Energy Purchase, pursuant to the conditions set forth herein for a term of four years, as set forth in the 2018-2022 Non-Pool Energy Purchase Schedule.

SECTION 3. That competitive bidding is not required on the Municipality's acquisition of its right to secure energy under the 2018-2022 Non-Pool Energy Purchase Schedule, and in the event any competitive bidding requirements are applicable, any such competitive bidding requirement that might otherwise be applicable, are hereby waived.

SECTION 4. That is it found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of a quorum of the Council, and that all deliberations of this Council and of any its committees that resulted in such formal action, were held in meetings open to the public, in compliance with all legal requirements.

SECTION 5. If any section, subsection, paragraph, clause or provision or any part thereof of this resolution shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this resolution shall be unaffected by such adjudication and all the remaining provisions of this resolution shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 6. That this resolution shall take effect immediately upon its passage.

NOW, THEREFORE, BE IT RESOLVED, That the proper Borough officials are authorized to sign the contract extension agreement between the Quakertown Borough and American Municipal Power, Inc. (AMP) covering the period of January 1, 2018 through December 31, 2022.

Motion of Councilman Johnson, seconded by Councilman Johnson. A roll call vote was taken and the motion was unanimously carried.

HEALTH, SAFETY & WELFARE COMMITTEE

RESOLUTION 76-15

WHEREAS, the Council of the Borough of Quakertown wishes to de-certify the existing Police Officer eligibility list.

NOW, THEREFORE, BE IT RESOLVED, That the Council of the Borough of Quakertown authorizes the Borough Manager to convene the Civil Service Commission to de-certify the existing eligibility list.

Motion of Councilman Johnson, seconded by Councilman Propst. A roll call vote was taken and the motion was unanimously carried.

President Roberts announced the Work Session will start after tonight's Council meeting.

President Roberts declared the meeting adjourned at 7:48 p.m.

BOROUGH OF QUAKERTOWN

L. James Roberts, Jr.
President

Attest:

Scott C. McElree
Manager