

NESHAP Inspection Report

Date(s): August 27,2013
August 28, 2013
September 3, 2013
September 18, 2013

Site: 895 Third St
Whitehall, PA 18052

Owner: Whitehall Township
3219 MacArthur Rd.
Whitehall, PA 18052

Contractor(s): Madonna Enterprises Inc.
610 Third St
Port Carbon, PA 17965

Inspector: Richard Ponak

On August 27, 2013 an asbestos NESHAP inspection was conducted at 895 Third Street, a former real estate office and apartments in Whitehall, Pennsylvania by Richard Ponak an EPA Enforcement Officer. The inspection was conducted due to a complaint from a citizen stating that the building was demolished with asbestos in it and no NESHAP notification. The complainant stated there was an asbestos inspection prior to demolition and a bid for asbestos abatement and demolition was provided to the owner.

Upon arrival the inspector observed that the building had been completely demolished, with some demolition debris still on site. As the inspector arrived he observed a large open tractor trailer leaving the site. The trailer was loaded with demolition debris. The inspector entered the parking lot observed suspect dry crushed regulated asbestos containing material (RACM) throughout the site. The suspect RACM was in the parking lot, debris piles, on the sidewalk and in the lane of traffic on Grape Street.

During the inspection samples and photographs of the suspect materials were taken. The suspect material appeared to be transite siding that had covered the building and was crushed by heavy equipment creating regulated asbestos containing material (RACM) throughout the site. No one was on site at the time of the inspection.

On August 28, 2013 the inspector returned to the site at approximately 9:00am with

heavy rain falling. Upon arrival observed an operator using heavy equipment to load contaminated debris into open dump truck. As operator dug into the pile visible dust could be seen. Showed operator credentials and informed him there was suspect RACM (regulated asbestos containing material) mixed in the debris. I advised him to stop disturbing the debris. I then called his supervisor Vince Madonna and informed him of the suspect RACM debris throughout the site. I informed him the debris would need to be disposed of as asbestos containing waste and that he needed trained asbestos supervisor on site. He stated they would stop work and have an asbestos contractor on site to access the situation.

At 11:00am went to the Township of Whitehall municipal building and met with Jack Meyers, Deputy Mayor and Lee Rackus, Bureau Chief. I informed the township officials that there were potential NESHAP violations at the 896 3rd street project. Told the township officials that the RACM needed to be disposed of properly and an asbestos supervisor needed to be on site. Meyers stated they would speak to the contractor and make sure the site was cleaned up properly.

Returned to the site on September 3, 2013, no one on site. Some RACM debris observed throughout the site. While on site photographs were taken. Returned to the site on September 18, 2013, RACM cleaned up. A few minor pieces of debris observed.

Richard Ponak

Enforcement Officer



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Project Name Whitehall Demolition
Project Location Fullerton Ave / Grape Sts
Whitehall, PA
Contractor McDonna Enterprises Inc

Asbestos File # _____
Project Start Date _____
Inspection Date 8/27/13
Inspector(s) Rich Pouch

On-Site Supervisor _____
Type of Project: Removal _____ Demolition
Phase of Project: Pre-Job _____ Set-Up _____ Removal _____ Post _____
Inspection Number 1st 2nd _____ 3rd _____ 4th _____
On-Site Representative _____
Company Name _____
On-Site Supervisor _____
Type of Removal Gross _____ Glove-Bag _____ Other _____

NESHAP'S REQUIREMENTS

Is Removal: Planned _____ Emergency _____
If Planned, was Notification Postmarked 10 Working Days Prior to the Start of the Project? Yes _____ No _____ N/A _____

Category of ACM to be Removed:
Regulated ACM _____ CAT. I _____ CAT. II _____

COMMENTS AND RECOMMENDATIONS:

At 2:45 pm arrival across st from site - minutes later truck 100 yrd
dump left site, followed by operator
- inspected area crushed ACM debris throughout site, on sidewalk, in
street, parking lot, debris pile
- one building totally demolished 3 other buildings still standing with
transite siding
- took photos and (5) samples - All ACM dry





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION III
 1650 Arch Street
 Philadelphia, Pennsylvania 19103-2029

Photo Identification Log Sheet

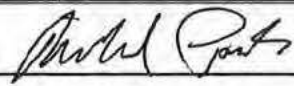
Date: 8/27/13

Inspector/Photographer: Rich Ponak

Site Name: Madonna Enterprises/Whitehall Twsp

Address: 895 Third St
Whitehall, PA 18052

Photo No.	Time	Description	Sample No.
1.		Demo debris	
2.		Parking lot adjacent occupied buildings	
3.		Crushed RACM under backhoe	
4.		Sample crushed RACM	082713-05RP
5.		Crushed RACM under backhoe	
6.		Crushed RACM in backhoe Track	
7.		Crushed RACM	
8.		Sample crushed RACM	082713-03RP
9.		Crushed RACM on sidewalk	
10.		Sample crushed RACM on sidewalk	082713-01RP
11.		Adjacent occupied buildings	
12.		Madonna Equipment	
13.		RACM debris Grape St	
14.		Sample RACM debris Grape St	082713-02RP
15.		Sample RACM debris backhoe track	082713-04RP
16.		RACM debris parking lot	
17.		Sample RACM debris parking lot	082713-05RP

Inspector Signature: 





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION III
 1650 Arch Street
 Philadelphia, Pennsylvania 19103-2029

Photo Identification Log Sheet

Date: 8/27/13 Inspector/Photographer: Rich Ponak
 Site Name & Madonna Enterprises/Whitehall Twsp
 Address: 895 Third St.
Whitehall, PA 18052

Photo No.	Time	Description	Sample No.
18.		Demo debris parking lot	
19.		Madonna Equipment	
20.		Madonna Equipment	
21.		Debris parking lot	
22.		Adjacent occupied building	



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 Customer Service Hotline: 1-800-438-2474*





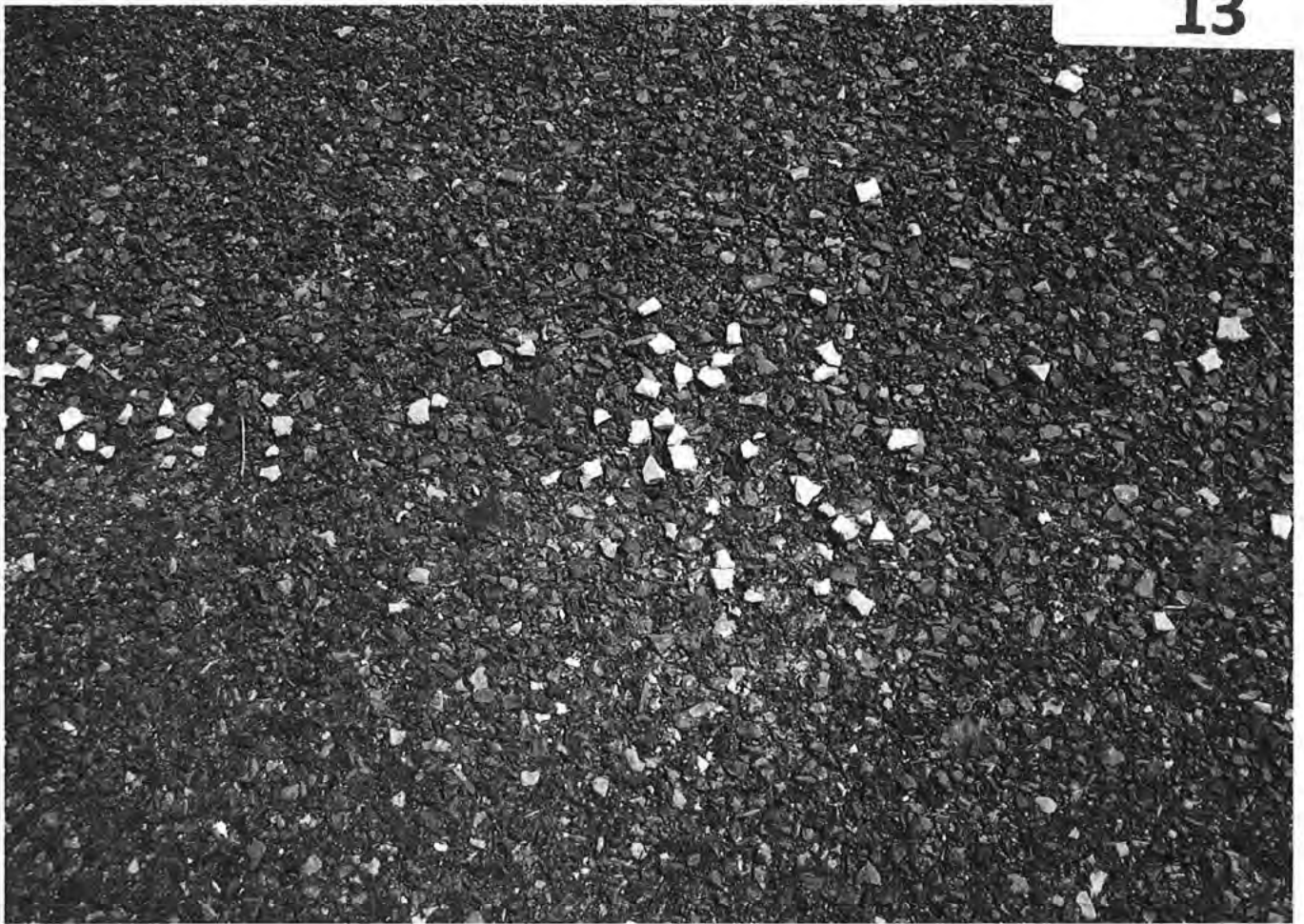




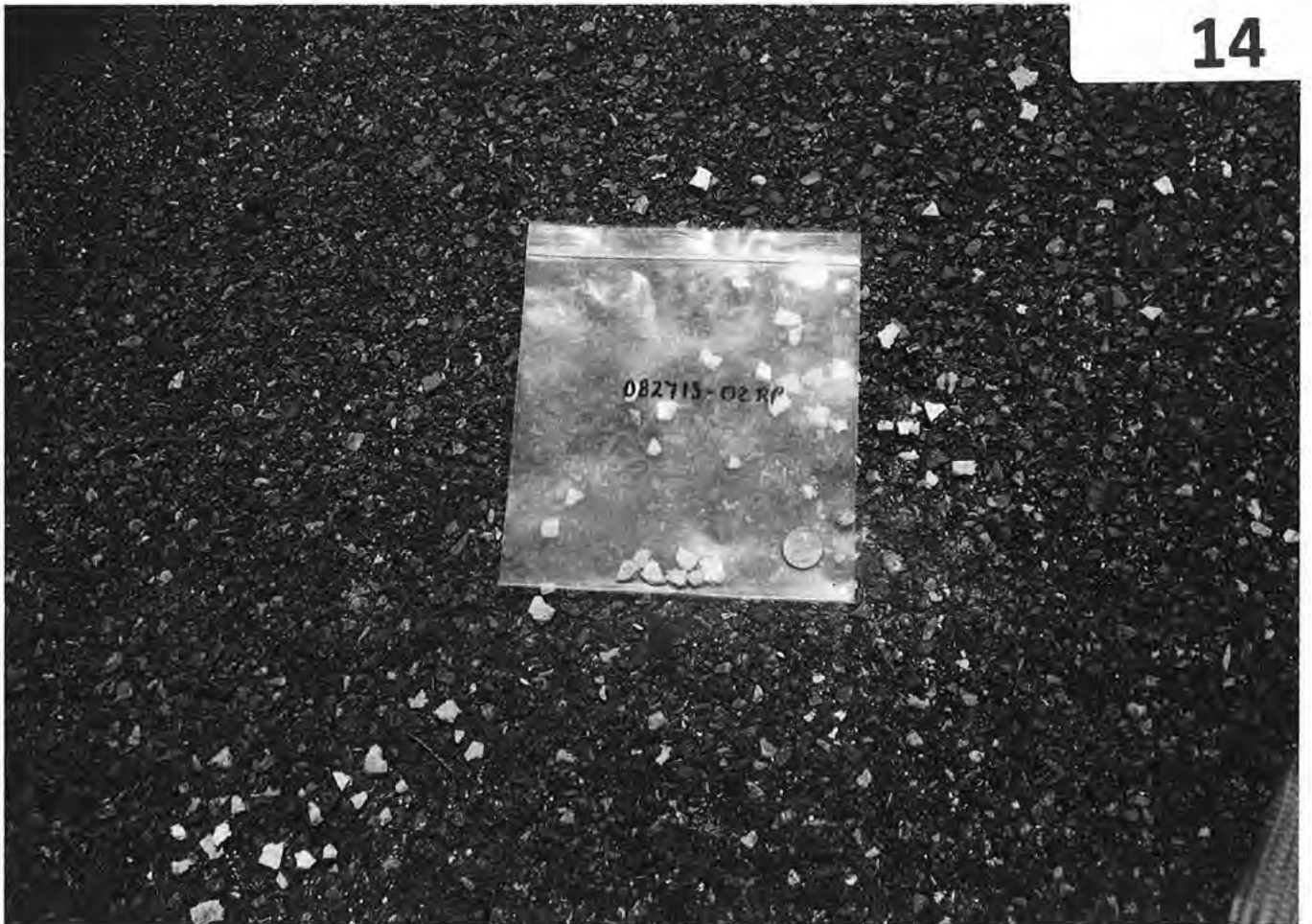




13



14



15



16







21



22





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION III
 1650 Arch Street
 Philadelphia, Pennsylvania 19103-2029

CX 5

SAMPLE COLLECTION LOG

Facility Name: Whitehall Demolition
 Facility Address: 896 3rd St.
Whitehall, PA

Sampler(s)/signature(s): *Michael Ronak*
 Date Sampled: 8/27/13

SAMPLE NUMBER	SAMPLE LOCATION	SAMPLE DESCRIPTION	COMMENTS
082713-01RP	on sidewalk (Grape St.)	Crushed RAcem	dry
082713-02RP	in lane of traffic (Grape St.)	Crushed RAcem	dry
082713-03RP	debris pile	Crushed RAcem	dry
082713-04RP	parking lot in equipment truck	Crushed RAcem	dry
082713-05RP	parking lot / debris	Crushed RAcem	dry



EPA0017



Results of Polarized Light Microscopy

Client: US EPA - Region III

Site Address: Whitehall Demolition

Sample Date: 9/4/2013

Project #: 131860

Sample Received Date: 9/4/2013 3:05:00 PM

Collected By: US EPA - Region III

Analyzed By: Hayes, Jade

Analysis Date: 9/5/2013

Sample # Location / Material Description	Layer	Non - Asbestos		Asbestos		Comments
		Fibrous & Percent	Non-Fibrous %	Asbestos Type	Percent	
131860-001 Crushed RACM dry Sidewalk (Grape Street)	1	---	55	Chrysotile	45	
131860-002 Crushed RACM dry In lane of traffic (Grape Street)	1	---	55	Chrysotile	45	
131860-003 Crushed RACM dry Debris pile	1	---	60	Chrysotile	40	
131860-004 Crushed RACM dry Parking lot - equipment track	1	---	65	Chrysotile	35	
131860-005 Crushed RACM dry Parking lot / debris	1	---	55	Chrysotile	45	

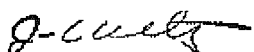


Results of Polarized Light Microscopy

Client: US EPA - Region III
Project #: 131860
Collected By: US EPA - Region III

Site Address: Whitehall Demolition
Analyzed By: Hayes, Jade

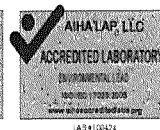
Sample Date: 9/4/2013
Sample Received Date: 9/4/2013 3:05:00 PM
Analysis Date: 9/5/2013


James A. Weltz, CIH, President

Criterion Laboratories, Inc. bears no responsibility for sample collection activities of non-Criterion personnel. This report relates only to the samples reported above, and when reproduced, must be in its entirety. Estimated accuracy, precision and uncertainty data available upon request. Unless requested by the client, building materials manufactured with multiple layers (i.e. linoleum, wallboard, etc.) are reported as a single sample. None Detected = <1%. Unless otherwise noted: Blank results are not subtracted from any results; QC data associated with this sample set is within acceptable limits; Samples were received in good condition.

Note: If your project number ends with an "R", it is a revised report and replaces the original document in full. The above results represent the analysis of bulk sample(s) by Criterion Laboratories, Inc. according to EPA 40 CFR Part 763 Appendix E to Subpart E – Polarized Light Microscopy. The concentration of asbestos is determined by visual estimation.

THIS IS THE LAST PAGE OF THE REPORT



Criterion Laboratories, Inc. (ID 100424) is accredited by the AIHA Laboratory Accreditation Programs (AIHA-LAP), LLC in the IHLAP; EMLAP and ELLAP accreditation programs for Polarized Light Microscopy (PLM), Phase Contrast Microscopy (PCM); Air-Direct Examination; and Airborne Dust, Paint, Settled Dust by Wipe and Soil for Fields of Testing as documented by the Scope of Accreditation Certificate and associated Scope. Additionally, Criterion Laboratories, Inc. is certified by the Center for Disease Control (CDC) Environmental Legionella Isolation Techniques Evaluation (ELITE) Program for the determination of Legionella in water by culture and holds accreditation from the National Voluntary Laboratory Accreditation Program (NVLAP ID 102046-0) for the determination of asbestos in bulk samples by Polarized Light Microscopy (PLM). This test report must not be used to claim product endorsement by NVLAP, NIST, AIHA or any agency of the US Government. Unless specifically listed as above, these test results are not covered under AIHA-LAP, LLC, 100424 accreditation.

CHAIN OF CUSTODY RECORD

PROJ. NO.		PROJECT NAME					NO. OF CON- TAINERS	REMARKS													
SAMPLERS: (Signature)																					
STA. NO.	DATE	TIME	COMP.	GRAB	STATION LOCATION																
01RP	8-27-13				sidewalk (Grape St.)		Crushed RACM dry														
02RP	8-27-13				in lane of traffic (Grape St)		Crushed RACM dry														
03RP	8-27-13				debris pile		Crushed RACM dry														
04RP	8-27-13				parking lot - equipment track		Crushed RACM dry														
05RP	8-27-13				parking lot / debris		Crushed RACM dry														
							3 DAY PLM FAX RESULTS to Rich Pouch														
Relinquished by: (Signature)		Date / Time		Received by: (Signature)		Relinquished by: (Signature)		Date / Time		Received by: (Signature)											
Relinquished by: (Signature)		Date / Time		Received by: (Signature)		Relinquished by: (Signature)		Date / Time		Received by: (Signature)											
Relinquished by: (Signature)		Date / Time		Received for Laboratory by: (Signature)		Date / Time		Remarks													

Distribution: Original Accompanies Shipment; Copy to Coordinator Field Files

EPA0021



Drop-Off Project Control Record / Chain of Custody

Project #: 131860

Client Information

Rev. 02_<11_20121019

Company: US EPA - Region III
Address: 1650 Arch Street
 MC: WC32
City: Philadelphia PA 19103
Contact: Rich Ponak
Cell:
Fax: (215) 814-3113
Phone: (215) 814-2044
Ext.:
E-Mail:

Project Manager:
Site Address: Whitehall Demolition
Activity:
Instructions:
Activity Code:
Project Open Date: 9/4/2013

Office Notes:

Unique Sample ID	Sample Description	Sample Location	Analyte	
131860-001			Asbestos Chrysotile	7. 45
131860-002				45
131860-003				40
131860-004				35
131860-005				45

Relinquished By: Rich Ponak Date / Time: 9/4/13 2:55 9/4/2013 3:01:00 PM
 Received By: Vera Alvarez Gil Date / Time: 9/4/2013 3:01:00 PM
 Analyzed By: Jade Hays Jade Hays Date / Time: 9/4/2013 3:01:00



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Project Name _____

Asbestos File # _____

Project Location Fullerton Ave / Garape St.
Whitehall, PA

Project Start Date _____

Inspection Date 8/28/13

Contractor _____

Inspector(s) Rich Pank

On-Site Supervisor _____

Type of Project: Removal _____ Demolition X

Madonna Enterprises
610 3rd St. Port Carbon PA
570 573-2787

Phase of Project: Pre-Job _____ Set-Up _____ Removal _____ Post _____

Inspection Number 1st _____ 2nd X 3rd _____ 4th _____

On-Site Representative _____

Company Name _____

Borough of Whitehall
AP 7644 Durham Rd
3219 MacArthur Rd

On-Site Supervisor _____

Type of Removal Gross _____ Glove-Bag _____ Other _____

NESHAP'S REQUIREMENTS

Is Removal: Planned _____ Emergency _____

If Planned, was Notification Postmarked 10 Working Days Prior to the Start of the Project? Yes _____ No _____ N/A _____

Category of ACM to be Removed:

Regulated ACM _____ CAT. I _____ CAT. II _____

COMMENTS AND RECOMMENDATIONS:

~ arrived 9:10 AM - pouring rain operator just getting in backho
starting to remove debris
- spoke Vince Madonna informed him problem on site - waste should
(called office)
be onsite - inform operator to stop loading debris - observed
dust coming from debris pile as operator moving debris

11:00 AM met with:
JACK Meyers - Deputy Mayor / Leo Rackus Bureau Chief
they stated building was a former real estate office - they the township is planning
to use the site for road improvement and a parking lot.
- informed them potential violations - a regulated site, waste is problem, needs to
be kept wet have asbestos supervisor on site





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Project Name Whitehall Demolition

Asbestos File # _____

Project Location _____

Project Start Date _____

Inspection Date 9/3/13

Contractor _____

Inspector(s) Rich Ponzak

On-Site Supervisor _____

Type of Project: Removal _____ Demolition X

Phase of Project: Pre-Job _____ Set-Up _____ Removal _____ Post _____

Inspection Number 1st _____ 2nd _____ 3rd X 4th _____

On-Site Representative _____

Company Name _____

On-Site Supervisor _____

Type of Removal Gross _____ Glove-Bag _____ Other _____

NESHAP'S REQUIREMENTS

Is Removal: Planned _____ Emergency _____

If Planned, was Notification Postmarked 10 Working Days Prior to the Start of the Project? Yes _____ No _____ N/A _____

Category of ACM to be Removed:

Regulated ACM _____ CAT. I _____ CAT. II _____

COMMENTS AND RECOMMENDATIONS:

11:30 no one on site
crushed RACM debris throughout site
took photos





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION III
 1650 Arch Street
 Philadelphia, Pennsylvania 19103-2029

Photo Identification Log Sheet

Date: 9/3/13 Inspector/Photographer: Rich Ponak
 Site Name: Madonna Enterprises/Whitehall Twsp
 Address: 895 Third St
Whitehall, PA 18052

Photo No.	Time	Description	Sample No.
1.		Demo debris	
2.		Madonna equipment-site back filled	
3.		Debris in parking lot	
4.		Debris in parking lot	
5.		Debris in parking lot	
6.		Debris in parking lot	

Inspector Signature: 

1



2



3



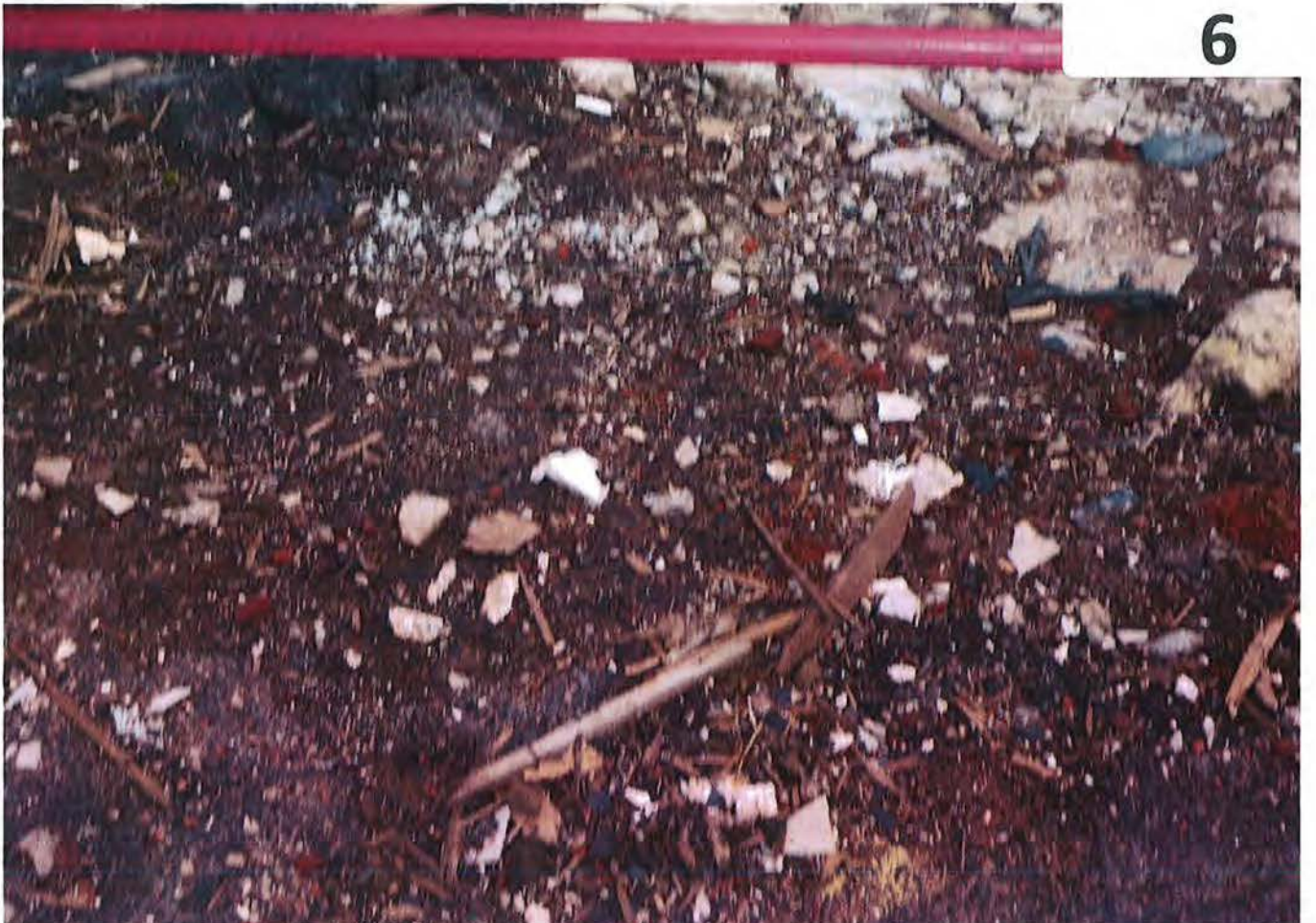
4



5



6



9/4/13

Spoke to Vince Madonna informed him I was at site (Whitcomb Area) on 9/3/13 and there was still residual RACON throughout and was being out. Told him asbestos control needs to clean up RACON + wet dispose of As RACON. Let me know when cleaned up

9/9/13

Spoke to Vince Madonna stated site cleaned up last week by his asbestos Guy - will take photos. I said I would check site next week.

APP/



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Project Name Whitehall Demolition
Project Location 816 N. 2nd St.
Whitehall, PA
Contractor Madonna Enterprises
On-Site Supervisor _____

Asbestos File # _____
Project Start Date _____
Inspection Date 9-18-13
Inspector(s) Rich Davis

Type of Project: Removal _____ Demolition
Phase of Project: Pre-Job _____ Set-Up _____ Removal _____ Post

Inspection Number 1st _____ 2nd _____ 3rd _____ 4th

On-Site Representative N/A

Company Name _____

On-Site Supervisor _____

Type of Removal Gross Glove-Bag _____ Other _____

NESHAP'S REQUIREMENTS

Is Removal: Planned _____ Emergency _____

If Planned, was Notification Postmarked 10 Working Days Prior to the Start of the Project? Yes _____ No N/A _____

Category of ACM to be Removed:

Regulated ACM CAT. I _____ CAT. II _____

COMMENTS AND RECOMMENDATIONS:

Site cleaned up and backfilled. A few minor pieces of debris observed.



WHITEHALL TOWNSHIP CIVIL PENALTY CALCULATION WORKSHEET

Step I: Calculate Economic Benefit	\$ 0
Step 2: Calculate Gravity Component:	
<u>Count I:</u> Failure to provide written notice of demolition <i>August 27, 2013</i> (≤ 10 units) 40 C.F.R. § 61.145(b)(1)	\$ 15,000
<u>Count II:</u> Failure to remove RACM prior to demolition <i>August 27, 2013</i> (≤ 10 units) 40 C.F.R. § 61.145(c)(1)	\$ 5,000
<u>Count III:</u> Failure to keep RACM adequately wet <i>August 27, 2013</i> (≤ 10 units) 40 C.F.R. § 61.145(c)(6)(i)	\$ 5,000
<i>September 3, 2013</i> (≤ 10 units) 40 C.F.R. § 61.145(c)(6)(i)	\$ 5,000
<u>Count IV:</u> Failure to have trained representative on site <i>August 28, 2013</i> (≤ 10 units) 40 C.F.R. § 61.145(c)(8)	\$ 5,000
Size of the Violator	\$ 2,000
SUBTOTAL	<u>\$ 37,000</u>
Step 3: Multiply Gravity Component by Inflation Adjustment Factor	
\$37,000 x 1.4163	\$ 52,403
Step 4: Add Economic Benefit and Gravity Component (adjusted for inflation)	
\$0 + \$52,403	\$52,403

Step 5: Apply CAA and Asbestos Penalty Policies adjustment factors

Economic Benefit + Adjusted Gravity	\$52,403
Degree of Willfulness or Negligence	\$ 0
History of Noncompliance	\$ 0
Previous payment for Same Violation	\$ 0
TOTAL PROPOSED PENALTY AGAINST BOTH REPENDENTS:	<u>\$52,403</u>
MADONNA ENTERPRISES, INC. SETTLEMENT:	\$250
BALANCE OF PENALTY AGAINST WHITEHALL:	<u>\$52,153</u>



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

In Reply Refer To: 3LC62

VIA UPS NEXT DAY AIR

Edward D. Hozza, Jr.
Mayor, Whitehall Township
3219 MacArthur Rd.
Whitehall, PA 18052

Re: Requirement to Provide Information Pursuant to Section 114 of the
Clean Air Act

Dear Mr. Hozza:

The United States Environmental Protection Agency (“EPA”) hereby requires Whitehall Township to provide certain information regarding the demolition of the former real estate office located at 896 3rd Street in Whitehall, Pennsylvania (“the Facility”) in August and September 2013. EPA requires this information as a part of a compliance investigation under the Clean Air Act (“CAA”), 42 U.S.C. §§ 7401 *et seq.*, including compliance with the requirements of Section 112 of the CAA, 42 U.S.C. § 7412, and the regulations promulgated thereunder at 40 C.F.R. Part 61, Subpart M, “National Emission Standard for Asbestos”.

Pursuant to Section 114(a) of the CAA, 42 U.S.C. § 7414(a), the Administrator of EPA is authorized, among other things, to require any person who the Administrator believes may have information necessary for the purpose of determining whether any person is in violation of any emission standard under Section 112 of the CAA, 42 U.S.C. § 7412, to provide such information as the Administrator may reasonably require for the purposes of making such determination.

Whitehall Township may have information necessary for the purposes of determining whether violations of the CAA have occurred and the details of such violations.

In order for EPA to determine the nature, extent and parties responsible for any violations of the CAA, Whitehall Township is hereby required, pursuant to Section 114 of the CAA, 42 U.S.C. § 7414, to provide detailed information in response to the following questions.

A. INSTRUCTIONS

1. **For purposes of this letter, the definitions set forth in Attachment A hereto shall apply and should be considered carefully by you in preparing your responses to this information request letter.**
2. Please provide a separate narrative response to each question and subpart of a question set forth in this Information Request and precede each answer with the number of the question to which it corresponds.
3. Identify each person responding to any question contained in this Information Request on your behalf, as well as each person consulted in the preparation of a response.
4. For each question, identify each document consulted, examined, or referred to in the preparation of the response or that contains information responsive to the question, and provide a true and correct copy of each such document if not provided in response to another specific question.
5. Indicate on each document produced in response to this Information Request, or in some other reasonable manner, the number of the question to which it corresponds.
6. If requested information or documents are not known or are not available to you at the time of your response to this Information Request, but later become known or available to you, you must supplement your response to EPA. Moreover, should you find at any time after submission of your response that any portion is or becomes false, incomplete, or misrepresents the facts, you must provide EPA with a corrected response as soon as possible.

B. INFORMATION REQUEST

1. Provide copies of all contracts, and other documents of a contractual nature or that otherwise identify or relate to the demolition that took place at the Facility during August and September 2013 (“Demolition”).
2. Provide copies of all documents related to costs associated with the Demolition, including but not limited to: any specification for bids packets, all bids received from all contractors, and any bid tabulations or other documents issued by Whitehall concerning the selection of the winning bid.
3. Provide copies of all permits issued by Whitehall Township for the Demolition, and any information submitted to Whitehall Township in the course of the permitting process by: Madonna Enterprises, Inc.; Keystone Code Consulting and Enforcement; and/or Forrester Environmental.
4. Provide a copy of the two most recent Whitehall Township Comprehensive Annual Financial Reports.

EPA requires Whitehall Township to submit the information requested above no later than fourteen (14) calendar days after receipt of this letter. Failure to provide the information may result in the issuance of an Order requiring compliance with the requirements, or the initiation of a civil action pursuant to Section 113(b) of the CAA, 42 U.S.C. § 7413(b). In addition, Section 113(c)(2) of the CAA, 42 U.S.C. § 7413(c)(2) provides that "any person who knowingly makes any false material statement, representation, or certification in, or omits material information from . . . any . . . document required pursuant to this Act . . . shall upon conviction be punished by a fine pursuant to Title 18 of the United States Code, or by imprisonment for not more than two years, or both." The information you provide may be used by EPA in administrative, civil and criminal proceedings.

Whitehall Township is entitled to assert a claim of business confidentiality, covering all or part of the information which this letter requires, except that no such claim can be made with respect to "emission data" as defined at 40 C.F.R. § 2.301(a)(2). Any such claim should be made in accordance with the procedures described at 40 C.F.R. § 2.203(b). EPA will provide the public with information subject to a claim of business confidentiality only in accordance with the procedures set forth at 40 C.F.R. Part 2, Subpart B. EPA may provide the public with any information not subject to such a claim without further notice.

If you have any questions regarding this request for information, please have your counsel contact Jennifer J. Nearhood, Assistant Regional Counsel, at (215) 814-2649. Please submit your response to this request to Rich Ponak, the Enforcement Officer for this case, via email at Ponak.Rich@epa.gov or by mail at:

Rich Ponak
Pesticides and Asbestos Programs Branch
U.S. EPA, Region III (3LC62)
1650 Arch Street
Philadelphia, PA 19103.

Sincerely,



John Armstead, Director
Land and Chemicals Division

Enclosure

cc: Rich Ponak, Compliance Officer
Jennifer Abramson, Senior Assistant Regional Counsel
Jennifer Nearhood, Assistant Regional Counsel

ATTACHMENT A

DEFINITIONS

"Asbestos" pursuant to 40 C.F.R. § 61.141, means the asbestiform varieties of serpentinite (chrysotile), riebeckite (crocidolite), cummingtonite-grunerite, anthophyllite, and actinolite-tremolite.

"Asbestos-containing waste material" pursuant to 40 C.F.R. § 61.141, means, in pertinent part, mill tailings or any waste that contains commercial asbestos and is generated by a source subject to the provisions of [40 C.F.R. Part 61, Subpart M], including friable asbestos waste material and materials contaminated with asbestos including disposable equipment and clothing.

"Asbestos Material" shall mean and refer jointly to Category I nonfriable asbestos-containing material, Category II nonfriable asbestos-containing material, friable asbestos material, asbestos-containing waste materials and regulated asbestos-containing material, as those terms are herein defined.

"Category I nonfriable asbestos-containing material" ("ACM") pursuant to 40 C.F.R. § 61.141, means asbestos-containing packings, gaskets, resilient floor covering, and asphalt roofing products containing more than 1 percent asbestos as determined using the method specified in appendix A, Subpart F, 40 C.F.R. part 763, section 1, Polarized Light Microscopy.

"Category II nonfriable asbestos-containing material" pursuant to 40 C.F.R. § 61.141, means any material, excluding Category I nonfriable ACM, containing more than 1 percent asbestos as determined by using the method specified in appendix A, Subpart F, 40 C.F.R. part 763, section 1, Polarized Light Microscopy, that when dry, cannot be crumbled, pulverized, or reduced to powder by hand pressure.

"Demolition", pursuant to 40 C.F.R. § 61.141, means the wrecking or taking out of any load-supporting structural member of a facility together with any related handling operations or the intentional burning of any facility.

"Documents" shall mean writings (handwritten, typed or otherwise produced or reproduced) and includes, but is not limited to, any invoices, checks, receipts, bills of lading, weight receipts, toll receipts, correspondence, offers, contracts, agreements, work orders, change orders, time cards, deeds, leases, manifests, licenses, permits, bids, proposals, policies of insurance, logs, books of original entry, minutes of meetings, memoranda, notes, calendar or daily entries, agendas, bulletins, notices, announcements, charts, maps, photographs, drawings, manuals, brochures, reports of scientific study or investigation, schedules, price lists, telegrams, teletypes, phono-records, magnetic tapes, punch cards, recordings, discs, computer print-outs, or other data compilations from which information can be obtained or translated.

"Facility", pursuant to 40 C.F.R. § 61.141, means any institutional, commercial, public, industrial, or residential structure, installation, or building.

"Facility component", pursuant to 40 C.F.R. § 61.141, means any part of a facility, including equipment.

"Friable asbestos material", pursuant to 40 C.F.R. § 61.141, means, in pertinent part, any material that contains more than 1 percent asbestos as determined using the method specified in appendix A, Subpart F, 40 C.F.R. Part 763 section 1, Polarized Light Microscopy, that when dry, can be crumbled, pulverized, or reduced to powder by hand pressure.

"Identify" or "identification" means:

(a) when used in reference to a natural person, to provide his or her full name, present or last known address, his or her present or last known employment position or affiliation and his or her positions during the time period covered by this Request for Information;

(b) when used in reference to a corporation, to provide its name and the address of the principal place of business;

(c) when used in reference to a noncorporate business entity, to provide its name, the nature of the legal entity (e.g. partnership, joint venture, proprietorship, etc.) and the address of its principal place of business;

(d) when used in reference to a document, to provide the date, author, author's address, addressees, addressee's addresses, type of document (e.g. letter, memorandum, telegraph, chart, computer input or output, photograph etc.), its location and its last known custodian(s);

(e) when used in reference to any other thing, to describe it in a complete and intelligible manner.

"In poor condition", pursuant to 40 C.F.R. § 61.141, means the binding of the material is losing its integrity as indicated by peeling, cracking or crumbling of the material.

"Installation", pursuant to 40 C.F.R. § 61.141, means any building or structure or any group of buildings or structures at a single demolition or renovation site that are under the control of the same owner or operator (or owner or operator under common control).

"Owner or operator of a demolition or renovation activity", pursuant to 40 C.F.R. § 61.141, means any person who owns, leases, operates, controls, or otherwise supervises the facility being demolished or renovated or any person who owns, leases, operates, controls, or supervises the demolition operation, or both.

"Person", shall have the meaning set forth in Section 302(e) of the Act, 42 U.S.C. § 7602(e), and includes an individual, corporation, partnership, association, State, municipality, political subdivision of a State, and any agency, department, or instrumentality of the United States and any officer, agent or employee thereof.

"Regulated asbestos-containing material" ("RACM"), pursuant to 40 C.F.R. § 61.141, means (a) Friable asbestos material, (b) Category I nonfriable ACM that has become friable, (c) Category I nonfriable ACM that will be or has been subjected to sanding, grinding, cutting, or abrading, or (d) Category II nonfriable ACM that has a high probability of becoming or has become crumbled, pulverized or reduced to powder by the forces expected to act on the material in the course of demolition or renovation operations regulated by this [40 C.F.R. Part 61,] subpart [M].

"Relate to" or "pertain to" (or any form thereof) shall mean constituting, reflecting, representing, supporting, contradicting, referring to, stating, describing, recording, noting, embodying, containing, mentioning, studying, analyzing, discussing, evaluating or relevant to.

"Remove", pursuant to 40 C.F.R. § 61.141, means to take out RACM or facility components that contain or are covered with RACM from any facility.

"Renovation", pursuant to 40 C.F.R. § 61.141, means altering a facility or one or more facility components in any way, including the stripping or removal of regulated asbestos-containing material from a facility component.

"Resilient floor covering", pursuant to 40 C.F.R. § 61.141, means asbestos-containing floor tile, including asphalt and vinyl floor tile, and sheet vinyl floor covering containing more than 1 percent asbestos as determined by using polarized light microscopy.

"Strip", pursuant to 40 C.F.R. § 61.141, means to take off RACM from any part of a facility or facility components.

"Structural member", pursuant to 40 C.F.R. § 61.141, means any load-supporting member of a facility, such as beams and load supporting walls; or any non-load supporting member, such as ceilings and nonload-supporting walls.

"You" or "your", as used in each of the questions set forth in the attached CAA Section 114 letter, refers to, and shall mean, the company or corporation with which each addressee of the attached CAA Section 114 letter is affiliated, including its subsidiaries, divisions, affiliates, predecessors, successors, assigns, and its former and present officers, directors, agents, employees, representatives, attorneys, consultants, accountants and all other persons acting on its behalf.

Whitehall Township/Madonna Enterprises

**RESPONSE OF WHITEHALL TOWNSHIP
TO THE EPA REQUEST FOR INFORMATION**

1. After consultation with John D. Meyers, Deputy Mayor, attached is a copy of the contract between Madonna Enterprises and the Township of Whitehall. Also enclosed herewith are the specifications for the demolition and all information provided to potential bidders. Also enclosed is the proposed/signature page submitted by Madonna Enterprises to the Township of Whitehall, as well as the contract between the Township of Whitehall and Madonna Enterprises, finally enclosed is a copy of the purchase order for the work to be performed.
2. After consultation with John D. Meyers, Deputy Mayor to the Township of Whitehall, enclosed is the bid packet, as well as the bid received by the Township of Whitehall for Madonna Enterprises. With regard to all other requests, the Township of Whitehall asserts a claim of business confidentiality. In addition, the Township of Whitehall objects that such information is completely irrelevant to any claim as to whether or not the demolition complied with the Clean Air Act.
3. After consultation with John D. Meyers, Deputy Mayor to the Township of Whitehall, enclosed herewith please find the permitting documentation issued to Madonna Enterprises.
4. Upon consultation with the Deputy Mayor, John D. Meyers, enclosed herewith please find the annual financial reports of Whitehall Township for calendar years 2011 through 2013, inclusive.

Gross McGinley, LLP



Kimberly G. Krupka, Esquire

Date: November 24, 2014

**TOWNSHIP OF WHITEHALL
LEHIGH COUNTY, PENNSYLVANIA**

**TOWNSHIP OF WHITEHALL
3219 MacArthur Road
Whitehall, PA 18052-2900
Telephone: (610) 437-5524
FAX: (610) 437-6963**

SPECIFICATIONS

FOR

**DEMOLITION PROJECT
896 THIRD STREET**

CONTRACT NO. 13-03

**EDWARD D. HOZZA, JR.
Mayor**

**JOHN D. MEYERS
Deputy Mayor**

**JOHN F. RACKUS
Bureau Chief of Public Works**

**MARY ANN MILLER, CPPO
Purchasing Agent**

FEBRUARY 2013

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DIRECT INQUIRIES TO: TECHNICAL QUESTIONS - J. RACKUS (610) 437-5524 (Ext. 140)
BIDDING PROCEDURES - M. MILLER " " " (Ext. 136)

YOUR BID PACKAGE MUST INCLUDE: PROPOSAL/SIGNATURE PAGE
QUALIFICATIONS FORM (2 copies)
CASHIER'S CHECK OR A BID BOND IN THE
AMOUNT OF AT LEAST 10% OF BID

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

TOWNSHIP OF WHITEHALL

NOTICE TO BIDDERS

The Township of Whitehall is soliciting sealed bids until March 20, 2013 (Wednesday) at 3:00 p.m. for:

Contract No. 13-03 "DEMOLITION PROJECT". Bids will be opened March 21, 2013 (Thursday) at 3:00 p.m.

Forms can be obtained at the Municipal Building, 3219 MacArthur Road, Whitehall, PA 18052 or fax request to (610) 437-6963.

MARY ANN MILLER, CPPO
Purchasing Agent

MM/mkd

LEGAL AD:

February 28, 2013

March 7, 2013

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DEMOLITION OF 896 THIRD STREET PROPERTY

INSTRUCTIONS TO BIDDERS

AWARD CRITERIA

After all bids submitted have been properly evaluated and compared and any adjustments have been made via Unit Price bids, the Township reserves the right to reject any and all bids or any part of a bid without making an explanation to anyone. The Township may consider the qualifications and experience of Bidders and proposed Subcontractors and Suppliers when evaluating bids. The Township may also consider all aspects of any proposed substitutions by Bidders of materials and equipment specified and the effect of such substitutions on the operating costs, maintenance requirements, performance and guarantees associated with the work. If the contract is to be awarded, it will be awarded to the lowest responsive and responsible Bidder whose evaluation by the Township indicates to the Township that the award will be in the best interests of the project. Upon receipt of notice that the Township intends to award the Contract, the successful Bidder will promptly provide the required Surety Contract Bonds.

BID PREPARATION

Bid proposals must be written in ink or typewritten and shall be submitted on the forms issued. Unsigned bids will not be accepted. No bid may be considered if received after the time shown in Notice to Bidders. Contractors are expected to examine all instructions, specifications, drawings, sites, installations, etc. Failure to do so will be at the Contractor's risk. Erasures or other changes must be initialed by the person signing the bid.

ALL BID PROPOSALS SHALL BE SUBMITTED TO THE TOWNSHIP OF WHITEHALL, 3219 MACARTHUR ROAD, WHITEHALL, PA 18052, IN A SEALED ENVELOPE WITH THE "BID NAME" AND "NUMBER" PROMINENTLY MARKED ON THE OUTSIDE OF THE ENVELOPE.

BID SECURITY FOR EXECUTION OF CONTRACT

Each bid must be accompanied with a cashier's check or a bid bond signed by a surety company authorized to do business in Pennsylvania made payable to Whitehall Township in an amount equal to at least 10% of the respective bid. When computing amount of bid, DO NOT deduct for trade-ins or cash discounts (if offered). This cashier's check or bid bond shall insure the execution of the Contract. The cashier's check of unsuccessful bidders will be returned upon formal acceptance of bids by the successful low bidder.

In the event that the successful bidder fails to execute the contract, Whitehall Township shall retain the security by the successful bidder, and Whitehall Township may then enter into a contract with the next lowest responsible bidder.

BIDDER ELIGIBILITY

Bids will only be accepted from manufacturers, authorized distributors, dealers or Contractors who are actively engaged in the sale, manufacture or type of construction of the item(s) called for in the bid.

No proposal will be accepted from or contract awarded to any person, firm or corporation that is in arrears or is in default to the Township upon any debt or contract, or that is a defaulter, as surety or otherwise, upon any obligation to said Township or had failed to perform faithfully any previous contract with the Township.

BIDS BINDING 60 DAYS

Unless otherwise specified all formal bids submitted shall be binding for sixty (60) calendar days following bid opening date.

BONDS

Within twenty (20) days of the Award of Contract, the successful bidder shall furnish: Performance and Labor and Materialman's Bonds satisfactory to the Township guaranteeing the completion of the entire project in accordance with the Contract documents in the amount of one-hundred percent (100%) of the contract price.

CLARIFICATION OF INSTRUCTIONS

Should a prospective bidder find a discrepancy in, or omission in, the Specifications or Instructions to Bidders, or should be in doubt as to the meaning of any term contained therein, he/she shall notify in writing the Purchasing Agent of the Township who will clarify any discrepancies by sending written instructions to all bidders. The envelope

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containing written request for clarification should be clearly marked (hand written) with the words "CLARIFICATION" and the bid name. All requests for clarification must be received by the Township at least five days before the bid opening.

CLEANUP

The Contractor at all times shall keep the premises free from accumulation of waste materials or rubbish caused by his operations. At the completion of the work he shall remove all his waste materials and rubbish from and about the project as well as all his tools, construction equipment, machinery and surplus materials.

If the Contractor fails to clean up at the completion of the work, the Township may do so and the cost thereof shall be charged to the Contractor.

COMPLIANCE

Any STEEL PRODUCTS used in the construction, alternating, repair or maintenance of municipal governments of a permanent or temporary nature shall be produced in the United States ("Steel Product Procurement Act 1984-144").

Any CEMENT PRODUCTS used in the construction, alteration, or maintenance of municipal improvements of a permanent or temporary nature shall be produced in the United States (House Bill 1174-Printer's No. 1322).

CONTRACT CHANGE

Contract time for this project shall be as delineated in the Specifications. Any extensions for, or reductions to that time shall be by written change order only. Such extensions or reductions must be requested by the Contractor in writing and MUST be approved by the Township.

CONTRACTOR TREATMENT OF PUBLIC

Contractor shall use its best efforts to ensure that its work force is courteous to members of the public encountered during work under this contract. In the event of violation of this provision, the Township shall in its discretion have the right to require the Contractor to remedy the problem and prevent future violations by disciplining the offending employee or employees up to and including removing the employee from work under this contract until such employee or employees have been removed.

CONTROL OF WORK

The sequence of the work to be done shall be at the direction of the Township Agents or representative. He may specify the work sequence to obtain the best results and to protect the Township's interest. The Contractor shall promptly comply with instructions from the Township.

On all questions relating to quantities, the acceptability of materials, equipment, or work, the execution, progress or sequence of work and the interpretation of specifications, the decision of the Township Agents or representative is final and binding, and shall be precedent to any payment under the contract.

All work and material are subject to the inspection and approval of the Township. Any work done without proper inspection will be subject to rejection. Inspection of the work shall not relieve the Contractor of the obligation to fulfill all conditions of the contract.

DEFECTIVE OR DAMAGED WORK

Any defective or damaged work found to exist prior to approval of final payment shall be promptly corrected or removed and replaced with non-defective work by the Contractor at no expense to the Township. Upon failure of the Contractor to correct the deficiency within a reasonable time, the Township may correct same and deduct the costs from any monies due the Contractor or bill the Contractor. The Contractor agrees to reimburse the Township in such instance.

EQUAL EMPLOYMENT

The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age or national origin. The contractor will take affirmative action to ensure that applicants are employed without regard to their race, color, religion, sex, age or national origin. Contractors will take steps to insure employees are treated during employment without regard to their race, color, religion, sex, age or national origin.

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Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. All bidders shall comply with DER Nondiscrimination Clause. The contractor shall comply with all provisions of the Americans and Disabilities Act P.L. 101-336 (1990) and shall hereby aver that it will not discriminate against any employee or applicant for employment because of disability.

EXAMINATION OF CONTRACT DOCUMENTS AND VISIT TO SITE

Before submitting a bid, Bidders shall carefully examine the Contract Documents including the Plans and Specifications, shall visit the site of the work and shall fully inform themselves as to all existing conditions and limitations and shall include in their bid a sum sufficient to cover the cost of all items required by the Contract Documents or which can be determined by a visit to the site.

The Bidder shall make such studies, tests, and investigations and make such test borings along the line of work as he believes necessary to determine the character and nature of the conditions to be encountered. No extra payment will be allowed for rock or other conditions unless otherwise indicated in the Specifications.

The Bidder must consider federal, state and local laws and regulations which may affect the cost, progress, performance and time required to properly complete the work. It is the Bidder's responsibility to promptly notify the Township of all conflicts, errors, ambiguities or discrepancies which the Bidder has discovered in or between the Contract Documents and such other related documents.

Information and data shown or indicated in the Contract Documents and Plans with respect to existing Underground Facilities at or contiguous to the site is based upon information and data furnished to the Township by owners of such Underground Facilities or others, and the township does not assume responsibility for the accuracy or completeness thereof. It is the Contractor's responsibility to comply fully with the provisions of Pennsylvania Law concerning the location and protection of Underground Facilities.

Before submitting a bid, each bidder will be responsible to obtain such additional or supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the site or otherwise, which may affect cost, progress, performance or furnishing of the work or which relate to any aspect of the means, methods, techniques, sequences of procedures of construction to be employed by the Bidder and safety precautions and programs incident thereto or which the Bidder deems necessary to determine its bid for the work.

On request, the Township will provide each Bidder access to the site to conduct such examinations, investigations, explorations, tests and studies as each Bidder deems necessary for submission of a bid. Said Bidder must fill all holes and clean up and restore the site to its former conditions upon completion of such explorations, investigations, tests and studies.

Submission of a Bid will constitute an incontrovertible representation by the Bidder that the Bidder has complied with every requirement of the specification that without exception the Bid is premised upon performing the work required by the Contract Documents and applying the specific means, methods, techniques, sequences or procedures of construction that may be shown on indicated or expressly required by the Contract Documents, that Bidder has given the Township written notice of all conflicts, errors, ambiguities and discrepancies that Bidder has discovered in the Contract Documents and the written resolutions thereof by the Architect/Engineer is acceptable to the Bidder, and that the Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performing the work.

F.O.B. POINT - Bid prices quoted shall be F.O.B. Destination, unload and installation of the material when installation is required.

GOVERNING LAWS AND REGULATIONS

The successful Bidder on this Contract will be required to comply with all applicable local, State and Federal laws, including those relating to safety, wage rates, employment, environmental protection and restoration of disturbed areas.

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If, during the interval between advertisement and the submission of bids, a prospective Bidder shall find any provision which is in conflict with a Federal or State law or regulation or with a law or ordinance of the municipality or other local authority, he shall at once notify the Owner. If the Contract Documents are in error or require clarification, correction or clarification will be made by Addendum to the Contract Documents, copies of which will be sent simultaneously to all prospective bidders.

GUARANTY

The Contractor shall guarantee that all the materials used and all the work done under the contract shall fully comply with the requirements of the plans and specifications and the instructions of the Township.

All expenses covering return or replacement of defective or improper merchandise will be assumed by the Contractor. In no instance shall the Contractor refer the Township to any distributor or manufacturer for settlement of any claim arising from defective or improper merchandise. If the Contractor shall fail to replace or repair any defective or improper merchandise within thirty (30) days from date of notice, the Township may make the necessary corrective arrangements and charge the cost to money due the Contractor or bill the Contractor. The Contractor agrees to reimburse the Township in such instance. Samples of any warranties or guarantees which will apply to the goods being offered for sale shall be included as part of the bid.

Any defects in the completed work or any failure of the construction to fully perform or endure the service for which it is intended, which in the opinion of the Township are caused by or due to the use of materials, skill or workmanship not in compliance with the said plans, specifications and instructions, that may appear in the work within a period of eighteen (18) months after acceptance by the Township shall be regarded as prima facie and conclusive evidence that the Contractor has failed to comply with the said specifications, plans and instructions. The Contractor in this event shall at his own expense, at such time and in such manner as the Township may direct, repair or take up and reconstruct any such defective work, in full compliance with the original specifications, plans and instructions. For this purpose the Contractor shall execute and deliver to the Township prior to the completion of the work, and final payment therefore, a Bond equal to ten (10%) percent of the contract amount, with an approved surety, conditioned upon the making of all repairs within said time. The repairs required to be made by the Contractor shall extend only to making good any inherent defects which become manifested in the materials and workmanship under ordinary conditions, and shall not be held to cover any breakage or damage caused by improper use or by accident resulting from circumstances over which the Contractor has no control.

INVOICING

Invoices shall be sent in duplicate to: WHITEHALL TOWNSHIP, 3219 MacArthur Road, Whitehall, PA 18052-2900

LIQUIDATED DAMAGES

The Township is authorized to deduct and retain out any monies, that may be due or become due to the Contractor under this agreement, the sum of one-hundred (\$100.00) dollars per day, not as a penalty but as liquidated damages for each and every day that the work is not completed beyond the time stipulated in the specifications; provided that due account shall be taken of any authorized adjustment of the completed schedule.

MAINTAINING RIGHTS-OF-WAY IN USE

The Contractor, at all times, shall keep streets open to traffic. When approved by the Township, traffic may be detoured over an approved route, providing adequate signing is placed. Adequate barricades, flashers and other traffic control devices in accordance with Penn DOT Publication 203 (67 PA Code, Chapter 203), (Work Zone Traffic Control), and Section 900 of Form 408 of the Penn DOT and all applicable supplements and addenda, shall be supplied by the Contractor, and shall remain in constant use, at Contractor's expense, during this Contract. Adequate ingress and egress shall be provided for all adjacent property owners.

The Contractor shall at all times keep the street and highway gutters open so that storm or other surface waters shall not have their flow obstructed. If, in any case, the material excavated from the trenches must temporarily extend over the gutters, it shall be the duty of the Contractor to plank or bridge over the gutters so that the flow of water is not hindered or diverted. Work at all times shall be so conducted as to cause a minimum of inconvenience to pedestrian and vehicular traffic and to private and public properties along the line of work. It shall be the duty of the Contractor

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during the progress of the work to maintain crossings, walks, sidewalks and other roadways open to traffic, in a satisfactory condition; and to keep all fire hydrants, water valves, fire alarm boxes and postal boxes accessible for use. Whenever it is necessary to maintain pedestrian traffic over open trenches, timber bridges at least three (3') feet in width and equipped with side railings shall be provided by the Contractor.

When it is necessary to haul the excavated material over Township streets, the Contractor shall provide suitable equipment for this work and the Contractor shall promptly and thoroughly clean up all material dropped on streets and highways outside of the immediate trenching area. The Contractor shall be responsible for locating a site for disposal of said excavated material, which site shall be subject to the approval of the Township, and he shall also obtain written approval from the property owner for said disposal. The Township reserves the right to require the Contractor to dump said materials at any location of its choosing within the Township limits at no additional cost to the Township.

All guardrails, street signs and structures disturbed or altered in any way by the construction activities shall be promptly restored to a condition equal to original.

At all times the Contractor shall keep dust under control by any selected means, such as spraying water over exposed trenches and/or covering backfill surface with lime. All streets used by the Contractor shall be kept in a "dust free" condition.

NO BID REPLY FORM

Contractors who will not bid this proposal must complete "NO BID REPLY FORM" and return it to the Township.

PATENTS

The Contractor agrees to indemnify and save harmless the Township, and all personnel from all suits and actions of every nature and description brought against them or any of them, for or on account of the use of patented appliances, products, or processes, and he shall pay all royalties and charges which are legal and equitable. Evidence of such payment or satisfaction shall be submitted upon request of the Township as a necessary requirement in connection with the final execution of any contract in which such patented appliances, products, or processes are used.

PERFORMANCE

In case of default by the Contractor, the Township may procure the commodity or services from other sources and hold the Contractor responsible for any excess costs occasioned thereby.

PERMITS

The Contractor shall be responsible for and shall obtain all licenses or permits that may be required in the prosecution of the work unless otherwise specified. These shall include, but may not be limited to, a Whitehall Township Business Privilege License, Building/Demolition Permit and PA DEP Permits.

QUANTITIES

The quantities set forth in the proposal are estimates. Awards may be made for more or less. The Township may make an award for all or some of the items set forth in the Proposal and reserves the right to reject any or all bids.

REMUNERATION

The work will be inspected by the Township Agents or representative for acceptance promptly upon receipt of the Contractor's written assertion that the work has been completed.

After acceptance, the Township shall make a final determination of the amount and value of work done, and within a period of thirty (30) days thereafter, the Township will pay the entire sum found to be due.

Neither the Township nor any agent, officer, nor representative thereof, shall be liable for, or be held to pay any money to the Contractor, except as herein provided, and the acceptance by the Contractor of the final payment shall be a release to the Township, its officers, and agents from all claims and liability to the Contractor for anything done or furnished for or relating to the work, or for any act of neglect of the Township or any person relating to or affecting the work.

SAFETY

All practices, materials and equipment shall comply with the Federal Occupational Safety and Health Act, as well as any pertinent Federal, State and/or Local Safety or Environmental Codes.

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SKILLED LABORERS

The contractor shall employ only competent and skilled laborers on all parts of the work and shall in his absence have on the ground at all times during the progress of the work, a responsible and qualified superintendent.

SPECIFICATIONS AND PRODUCT DESCRIPTION

When brand names, model numbers, trade names, catalog numbers or cuts are listed, they are, unless otherwise specified, included for the purpose of furnishing bidders with information concerning the style, type or kind of article desired and a bidder may offer an article which he certifies to be equal in quality, performance and other essential characteristics. Any available printed material or literature which describes the product being offered for sale shall be included with the bid. The Township shall be the sole judge of suitability of substitutes offered. When a formal numbered specification is referred to in this invitation, no deviation will be permitted and the bidder will be required to furnish articles in conformity with that specification.

SUB-CONTRACTORS

No portion of the work shall be sublet without the approval of the Township and no Sub-Contractor shall be employed unless in the opinion of the Township he is reliable, responsible and competent to do the work in accordance with the plans and specifications. The names of all Sub-Contractors proposed to be used shall be submitted in writing to the Engineer before such work is started. Contractor may not award more than 50% of the work unless approved in writing by the Township.

SUSPENSION OF WORK

The work may be suspended by the Township when deemed in the best interest of the Township.

TAXES

The Township is exempt from State and Federal taxes and the price bid must be net, exclusive of taxes. Where permitted by law, the Contractor may claim an exemption from State Sales Taxes for the purchase of materials, supplies, equipment, or parts needed to complete bid requirements by submitting the appropriate "Request for Exemption" forms to the State. However, he is NOT exempt from the payment of Township Business Privilege Taxes related to this work. (Clarification: Materials purchased for the installation of the water main/sanitary sewer are exempt from State sales tax; storm sewer materials are NOT).

TERMINATION

If the Contractor is adjudged as bankrupt, or if he makes a general assignment for the benefit of his creditors, or if a receiver is appointed on account of his insolvency, or if he persistently or repeatedly refuses or fails, except in cases for which extension of time is provided, to supply enough properly skilled workmen or proper materials, or if he fails to make prompt payment to Subcontractors or for materials or labor, or persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a substantial violation of a provision of the Contract Documents, then the Township of Whitehall upon the certification of the Assistant Executive that sufficient cause exists to justify such action, may, without prejudice to any right or remedy and after giving the Contractor, seven (7) days' written notice, terminate the employment of the Contractor and take possession of premises and finish the work by whatever method he may deem expedient.

In such case the Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract price shall exceed the expense of finishing the work, including compensation for additional administrative services, such excess shall be paid to the Contractor. However, if such expenses shall exceed the unpaid balance, the Contractor shall be liable for payment of the difference to the Township.

UTILITIES

It shall be the responsibility of the Contractor to exactly locate, as necessary, and in accordance with Act 172, all existing utilities on the project site and to avoid all unnecessary conflicts therewith. The Township does not guarantee the accuracy of the location of the present subsurface utility installations or structures shown on the plans. Neither does the Township guarantee that all subsurface installations are shown.

Delays may be expected in the performance of the work under contract in order to permit public and private facilities to be relocated, adjusted, reconstructed or to provide such safeguards as are necessary to protect public or private

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DEMOLITION OF 896 THIRD STREET PROPERTY

property. No charges or claims for additional compensation shall be made by the Contractor for any delays or hindrances, regardless of duration or extent, caused by the failure of the owners of facilities on, under or over the project to adjust their facilities or to protect public or private property during the progress of any portion of the work embraced in the contract, but the Contractor may be granted an extension of time for the completion of work in accordance with Sections elsewhere herein.

It shall be the responsibility of the Contractor to contact all utility companies, concerning their method of supporting exposed utilities. The Contractor will be required to comply with the requirements of the utility companies for providing temporary and permanent supports for all mains and laterals at no additional cost to the Township.

The Contractor will be held responsible for all damage to facilities and/or drainage structures caused by his operations, and such damage will be repaired at the expense of the Contractor in accordance with applicable utility or Municipal Specifications. Repairs to any utility line may be made by the Contractor or the utility company at the discretion of the utility company, and will not be part of this contract.

VERIFICATION

The Contractor shall check and verify all dimensions, utilities, and conditions at the site before proceeding with each phase of the work, including subsurface or latent physical conditions.

WORK CHANGES

The Township without invalidating the contract, may order changes in the work within the general scope of the contract consisting of additions, deletions or other revisions, providing the total amount added or eliminated does not exceed twenty-five (25%) percent of the total contract price. All such changes in the work shall be authorized by change order, and shall be executed under the applicable conditions of the contract documents.

The cost or credit to the Township resulting from a change in the work shall be determined by unit prices stated in the Contract documents or subsequently agreed upon or by mutual acceptance of a lump sum properly itemized.

Should concealed conditions encountered in the performance of the work below the surface of the ground or hidden in existing structures be at variance with the conditions indicated by the contract documents, the contract price shall be equitably adjusted by change order upon claim by either party made within twenty (20) days after the first observance of the conditions.

CONTRACT 13 - 03
DEMOLITION OF THIRD STREET PROPERTY

CONTRACTOR'S NAME: _____

INFORMATION & CONDITIONS

2.0 INFORMATION AND CONDITIONS

2.1 INTENT

It is the intent of this "Invitation to Bid" to secure a Contractor to raze 896 Third Street, Whitehall, PA per the attached specifications.

2.2 QUALIFICATIONS

Proposals will only be accepted from firms actively engaged as demolition contractors. All bidders must submit a properly filled-out "Qualifications Form" with their proposal package.

2.3 RESPONSIBILITY

It is mutually understood and agreed that the Contractor bids on this work "as is" and that between the time of bidding and the time of actual possession of the property by the Contractor, the Township will not be responsible for the loss of materials which may have disappeared from the sites of demolition.

2.4 IDENTIFICATION

All demolition work shall be performed by employees of the Contractor or by employees of an approved subcontractor. Every employee of the Contractor or subcontractor shall at all time wear on his person, plainly visible, a badge showing the name of the employer and the name of the employee. This information may be typed or plainly written in ink. In order that prompt Township approval may be given to the Contractor's certified payrolls, full cooperation shall be given to the Township's Site Inspector in checking the identities of the employees. No worker shall be allowed to work on the site unless he is properly identified.

2.5 PERMITS

2.5.1 Before proceeding with this work, the Contractor shall secure all necessary permits and licenses, including, but not limited to, a Whitehall Township Business License, State (PA DEP Asbestos Abatement Certification) and Local Permits. The Township of Whitehall permit fees will be waived, but the Contractor is responsible for all permits. In addition the Contractor is responsible for all subcontractors on site to secure their own necessary permits and licenses as applicable.

2.6 NON-OWNED TOWNSHIP PROPERTY

Where the Contractor enters upon properties not owned or controlled by the Township, he shall obtain permission from the owner thereof and on completion of any work shall leave the property clean and free of debris of any kind and shall repair any damage to property which may have been caused by his work or by his employees.

2.7 BLASTING

Blasting shall not be permitted except on prior written permission of the Township for each case, and only after filing the necessary State blasting permits, providing proof of blasting certification/insurance and Township notices of activity with the Fire Chief.

2.8 BURNING

Burning of any material whatsoever is prohibited.

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

2.9 ASBESTOS REMOVAL

Contractor is responsible for removal and disposal of any asbestos, material, if found in the process of completing this work scope. Contractor shall abide by all Township, State, Federal Laws, OSHA and DEP requirements regarding Asbestos Abatement and Disposal in regard to the public and worker's health and safety.

2.10 SCOPE OF WORK

The Contractor shall furnish all tools, labor and materials of every nature necessary and required to perform the above-mentioned work in a perfect and thoroughly workmanlike manner agreeable to these specifications, the ordinances of the Township, and under the Pennsylvania Uniform Construction Code.

2.10.1 Demolition of 896 Third Street, Whitehall, PA

Raze entire building and remove accessory structures and all appurtenances such as fencing, sheds, garages.

Fill and grade lot to pre-constructions level with clean fill located on lot. Seeding is not required. Basement walls shall be razed.

The retaining wall which exists shall remain in place and is not to be removed. This is to reduce the work involved in finished grading of the site, and to keep it consistent with circumstances which presently exist.

Erosion and sedimentation control around property, and appropriate tire cleaning area.

Remove and dispose of in an approved manner all debris and waste on property.

Grade site and protect adjoining lot.

The demolition site during work hours of Contractor is to have one worker on ground watching demolition site to keep people away from said work area.

The hours Contractor is not working at the site is to have area fenced off from pedestrians.

Whitehall Township shall bear responsibility for the removal of all mature trees on the site. This work shall be completed prior to the razing of the structures.

3.0 UTILITIES

3.1 PROTECTION

3.1.1 Special care will be given so as not to interrupt utility services in the demolition area.

3.2 SEWER LINES

3.2.1 Care shall be used to protect sanitary and storm sewer manholes and intakes.

3.2.2 All sewer, water and gas laterals shall be excavated and plugged at the curb line at the discretion of the Utility Provider. All plugging shall be inspected and approved by the Utility Provider at the time such work is performed before any demolition can start.

4.0 PUBLIC SAFETY

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

4.1 STREETS AND PASSAGEWAYS

- 4.1.1 Curbs, public sidewalks outside the lot line, and street paving are not to be disturbed.
- 4.1.2 The Contractor shall not close or obstruct any streets, sidewalks, alleys or passageways unless specifically authorized. No materials whatsoever shall be placed or stored in streets, alleys or passageways. The Contractor shall conduct his operations so as to interfere as little as possible with the use ordinarily made of any roads, streets, driveways, alleys, sidewalk facilities, etc., near enough to the work to be affected thereby.
- 4.1.3 Special care will be given so as not to block off access to any fire hydrants in the demolition area.

4.2 FREE PASSAGE

- 4.2.1 Demolish structures in such manner as to avoid hazards to persons and property, interference with the use of adjacent property, and interruption of free passage to and from such property.
- 4.2.2 Sidewalk bridges and covered walkways shall be provided where necessary to protect pedestrian traffic.

4.3 ADJACENT BUILDINGS

- 4.3.1 In demolishing any building which abuts or is adjacent to a building or property not to be demolished, the Contractor will exercise special care so as not to damage, destroy or endanger any wall or roof of any abutting or adjoining building. If any roof or wall of any not-to-be-demolished building shall be damaged or made non-weather tight as a result of demolition activities (whether or not such demolition activities shall have been performed negligently), the Contractor shall immediately make such repairs as may be necessary to make such building weather tight.
- 4.3.2 In areas where basement walls of properties, not to be demolished, are exposed, they shall be made weather tight and backfilling shall be compacted three (3') feet from basement line and graded so as run off will move away from building.

4.4 BARRICADES, ETC.

- 4.4.1 The use of barricades on this project will comply with the Township of Whitehall Building Code and/or as required by the Bureau of Public Works.
- 4.4.2 Barricade as directed by the Township, shall be erected and maintained by the Contractor around all operations and all openings in the ground as long as such operations or openings shall, in the opinion of the Township, constitute a hazard or a dangerous condition.

4.5 WELLS, ETC.

Before beginning demolition operations, the Contractor shall pump out and clean, in a sanitary manner, all wells and cesspools within the areas to be cleared, and after disinfecting them as may be required by the Township, shall fill them to adjacent ground level in the manner prescribed for backfilling.

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

4.6 SHRUBBERY

All stumps, and shrubbery shall be removed from the site at the direction of the Township; provided, Township, as noted previously will remove all mature trees.

5.0 DEMOLITION PROCEDURES

5.1 GENERAL

- 5.1.1 The Township shall determine the sequence of property to be demolished.
- 5.1.2 Upon "Notice to Proceed" the Contractor, he then may proceed at once with the removal of the structures released to him and perform the work in such order as the Township in its discretion may require. Whitehall Township shall have removed any items that are of use to us. Any remnant items for salvage or scrap sale value shall be possessed by contractor.
- 5.1.3 A fire hose is to be on the demolition site at all times and when dust occurs; water shall be sprayed onto site to control dust.
- 5.1.4 All trash, debris, etc., in the demolition area will be removed by the Contractor, and any such material placed in the demolition area during the contract term will be removed by the Contractor with no change in price. (The demolition area is responsibility of Contractor, and it is up to him to police.)
- 5.1.5 Window and door frames shall not be removed until the demolition work shall have progressed to their elevations in the walls.

5.2 ABOVE GROUND

- 5.2.1 All masonry walls above ground shall be demolished in small sections. No piece larger than 12" x 24" shall be allowed in the backfill.
- 5.2.2 All walls and foundations, except party walls of properties not included in the Contract, shall first be removed to the elevation of the present sidewalk and grade of the property outside of the wall or foundation. Party walls between structures to be demolished shall be removed to the level of adjacent walls and made watertight satisfactory to the Township.
- 5.2.3 Rubbish and demolition items shall be lowered by use of power cranes, hoists, etc., as required by the work. Chutes shall have baffle plates or similar devices to prevent descending materials from attaining dangerous speeds. The act of dropping or free falling the demolition materials to the ground, beyond the building walls, will not be permitted. (See Section 5.4).

5.3 BASEMENT

- 5.3.1 For the intents and purposes of these specifications, a basement is defined as follows: A Basement is a part of a structure situated no less than three (3') feet below the highest elevation of the immediate surroundings ground level. All floor construction, except concrete or masonry basement floors, shall be removed regardless of elevation or location. All basement partitions, furnaces, heating apparatus, piping, gasoline or oil tanks, miscellaneous fixtures and stairways shall be removed.

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

- 5.3.2 No walls shall be thrown into any cellar until the Township has approved the condition of the cellar, and before all combustible material and metal has been removed. The first floor flooring of each building shall remain intact until the walls are down and no material shall be allowed to collect in the cellar during demolition. No unstable or combustible material will be permitted in the fill, and any material encountered in the demolition which the Contractor proposes to use as fill shall be stored on the ground until the walls are down. Plaster and mortar will not be permitted in the cellar until the cellar is approved for backfilling.
- 5.3.3 After the first floor flooring is removed, remove all partitions, stairways, furnaces, piping and other apparatus and debris from the basements. If the partitions are masonry, they may be broken up and used as backfill. These masonry partitions shall not be broken up until the basement has been inspected and approved for backfilling.
- 5.3.4 When the basements have been approved for backfilling, all basement floors shall be broken up into pieces not larger than three (3') feet in the longest dimension. After the floor is broken up the masonry partitions may be broken up into pieces not larger than two (2') feet in the longest dimensions and used for backfill.

5.4 CHUTES (WHEN USED AT DEMOLITION SITES)

- 5.4.1 Chutes for the removal of materials and debris shall be provided in all such parts of demolition operations that are more than twenty (20') feet above the point where the removal of material is affected.
- 5.4.2 Such chutes shall be completely enclosed. They shall not extend in an unbroken line for more than twenty-five (25') feet, but shall be equipped at intervals of twenty-five (25') feet or less with substantial stops to prevent descending material from attaining dangerous speed.
- 5.4.3 The bottom of each chute shall be equipped with a gate or stop, with suitable means for closing or regulating the flow of material.
- 5.4.4 Chutes, floors, stairways and other places affected shall be sprinkled sufficiently to keep down the dust.

6.0 BACKFILLING

- 6.1 Backfilling and grading must be performed to provide for adequate drainage and the maximum practicable prevention of erosion. In grading and backfilling, the contractor will be guided by existing elevations, using existing streets as gradient guides. No backfilling of any basement or other area may occur until such area is inspected and approved by the Township's representative. Any and all backfilling completed without the Township's permission will be subject to re-opening at Contractor's expense.
- 6.2 Acceptable backfill shall be clay earth material, some broken concrete, masonry and stone from the individual building may be used as specified above and according to inspector's limits. No organic material, paper, glass, wood, or metal may be used for backfill. The approved earth shall not come from the site of demolition, except on prior written approval by the Township. The Contractor shall furnish and place all backfill as specified.
- 6.3 Masonry rubble and gravel or shale materials, shall be placed in horizontal layers not exceeding eight (8") inches, be crushed and fully compacted to form a dense firm and unyielding surface.
- 6.4 The top two (2') feet in backfilled areas will be clean fill (clean fill is fill free from organic material, wood, metal, paper, glass, etc.)

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

7.0 CLEAN-UP

- 7.1 The Contractor shall remove any refuse or other material of any kind upon request by the Township from the sites covered by this contract, including the surface of vacant lots. Upon completion of the work the sites shall be free of debris except material used for backfilling cellars. The Contractor shall not deposit any material, debris, or backfill on any lots not specifically included in this contract or specifically approved by the Township.

8.0 DISPOSAL OF DEMOLITION WASTE MATERIAL AND REFUSE

- 8.1 The Contractor shall dispose of all solid waste, including demolition waste, at a disposal facility as indicated on the Contractor's bid and as approved or permitted by the PA DEP. An alternative disposal site or method shall not be utilized until and unless the disposal site and disposal method is under permit to, or approved by, the PA DEP for managing such solid waste. Failure to comply with this provision may result in the liquidation of the Contractor's performance bond by the Township or the withholding of final payment to the Contractor, or both, of the preceding sanctions. DEP approved permits shall be submitted at time of contract award.
- 8.2 All material and refuse moved to an approved landfill disposal area shall be moved in a safe and sanitary manner, so as not to litter the roadways.
- 8.3 The demolition material and refuse is to be covered at the end of each day's operation. The operation must be accomplished in a safe and sanitary manner, with efficient equipment, and at the demolition contractor's own expense.
- 8.4 Permission and approval must be given by the owner of the landfill, in writing, to the demolition contractor, and a copy must be given to the Township of Whitehall.

9.0 COMPLETION SCHEDULE

- 9.1 Work shall be pursued to completion within 60 days after Notice to Proceed.
- 9.2 If the Contractor ignores a written directive from the Township to begin work at a particular site within five (5) days, or fails to respond on a same day basis to an emergency situation after being verbally notified, the Township reserves the right to have the work performed by others and deduct said costs from the contract.
- 9.3 Working hours will be from 7:30 a.m. until 4:00 p.m., Monday through Friday. NO SATURDAY, SUNDAY, HOLIDAY OR OVERTIME WORK WILL BE PERMITTED WITHOUT PRIOR CONSENT FROM THE TOWNSHIP.

10.0 CONTACT PERSON

In the event of after hour emergencies, the Township requires a contact person and phone number. This information must be provided prior to project start date.

Keystone Code Consulting and Enforcement

PO Box 391
Bethlehem, Pennsylvania 18016-0391

Phone 610.866.9663
Fax 610.866.2664

A _____
(Office Use Only)

DEMOLITION UTILITY SIGN OFF FORM

Date Received: _____ Permit # _____
(Office Use Only)

Property Address: _____

Owner: _____ Phone #: _____ Email: _____

Owner Address: _____

Contractor: _____ Phone#: _____ Email: _____

Contractor Address: _____

Type of Structure: _____ Number of Stories _____

Square Feet of Structure: _____ Dimensions: _____

Scheduled Date of Demolition: _____ Cost \$: _____

Whitehall Township Business License#: _____

Insurance Company: _____

Policy #: _____ Phone #: _____

Utility Sign Off Signatures (Required) (Sign and Print Name)

PPL Electric: _____ Date: _____

Print name: _____

UGI Gas: _____ Date: _____

Print Name: _____

Telephone: _____ Date: _____

Print Name: _____

Cable Service: _____ Date: _____

Print Name: _____

Water Service: _____ Date: _____

Print Name: _____

Sewer Service: _____ Date: _____

Print Name: _____

Utility Contact Information

- PA One Call – 1800-242-1776
- PPL Electric – 1-800-342-5775
- UGI Gas – 610-866-0951
- Telephone Service – (Must contact provider)
- Cable Service –
 - ❖ Service Electric – 610-865-9100 *7 Fax# - 610-865-5031
 - ❖ RCN – 800-746-4726
- Water Service –
 - ❖ Whitehall Water Authority – 610-770-1155 Fax# - 610-770-8964
 - ❖ NBMA Water Authority – 610-267-6711 Fax# - 610-262-6796
- Sewer Service –
 - ❖ Coplay-Whitehall Sewer Authority – 610-437-4461 Fax# - 610-437-0696
 - Whitehall Fire Department – Chief Robert Benner 610-437-5524 (x166)

NOTES

1. The property must be restored to a grade level that does not allow any hazardous conditions or does not allow water to run off onto neighboring properties.
2. All safety issues must be addressed prior to demolition. (Safety Barriers, traffic control, fire department notification, etc)
3. DEP Approval (if required)

WORKERS COMPENSATION VERIFICATION FORM

A. The Applicant is a Contractor within the meaning of the Pennsylvania Workers Compensation Law:

Yes No

If the answer is "YES", complete Sections B and C below as appropriate.

B. INSURANCE INFORMATION:

Name of Applicant _____

Federal or State Employer Identification No. _____

Applicant is a qualified self-insurer for Workers Compensation.

Name of Workers Compensation Insurer _____

Workers Compensation Insurance Policy No. _____

Policy Expiration Date _____

C. EXEMPTION

Complete Section C if the Applicant is a contractor claiming exemption from providing Workers Compensation Insurance.

The undersigned swears or affirms that he/she is not required to provide Workers Compensation Insurance under the provisions of Pennsylvania's Workers Compensation Law for one of the following reasons, as indicated:

Contractor with no employees. Contractor prohibited by law from employing any individual to perform work pursuant to this building permit unless contractor provides proof of insurance to the Township.

Religious exemption under the Workers Compensation Law.

Applicant Name -- *Please Print Clearly* _____

Address _____

City, State, Zip _____

County _____

Municipality _____

Signature of Applicant _____

Subscribed and sworn before me this

_____ day of _____ 20____

Signature of Notary Public

My Commission Expires: _____

(SEAL)

Property Address: _____

OFFICE USE ONLY

APPROVAL:

PERMIT APPROVED: Date: _____

CODE OFFICER: _____

Permit #: _____

Date Issued: _____

Date Expires: _____

Permit Fee: \$ _____

PA State Fee: \$ _____

TOTAL: \$ _____

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

PROPOSAL/SIGNATURE PAGE

TO: WHITEHALL TOWNSHIP
3219 MacArthur Road
Whitehall, PA 18052

DATE: _____
BID NO.: _____
BID NAME: _____

The Undersigned having examined the Specifications, Standard Requirements and all other documents and being familiar with the various conditions under which these services and/or supplies are to be used, agrees to furnish all labor, material, tools, equipment and services to furnish the requirements called for in the bid, for the prices stated on Proposal Page.

The Undersigned hereby certify that this proposal is genuine and not sham, collusive, or fraudulent or made in the interest of or in behalf of any person, firm or corporation not herein names, and that the undersigned has not, directly or indirectly, induced or solicited any Bidder to submit a sham bid or any other person, firm or corporation from bidding and that the undersigned has not, in any manner, sought by collusion to secure for himself any advantage over any other Bidder.

TOTAL COST TO RAZE 896 THIRD STREET \$ _____

(Price as expressed in written form)

NAME OF APPROVED DUMP SITE: _____

Company Name _____

Address _____

Zip Code

Signature _____

Print Name _____

Title _____

Phone _____ Fax _____

Years in Business _____ as () Individual () Partner or () Corporation

Federal I.D.# _____ or Social Security # _____

(Seal)

NO BID REPLY FORM

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

TO: WHITEHALL TOWNSHIP
3219 MacArthur Road
Whitehall, PA 18052
ATTN: Mary Ann Miller, CPPO

DATE: _____
BID NO.: _____

To assist us in obtaining good competition on our Request for Bids, we ask that each firm has received an invitation, but does not wish to bid, state their reason(s) below and return to this office. This information will not preclude receipt of future invitations unless you request removal from the Bidders' List by so indicating below, or do not return this form or bonafide bid.

Unfortunately, we must offer a "No Bid" at this time because:

- _____ 1. We do not wish to participate in the bid process.
- _____ 2. We do not wish to bid under the terms and conditions of the Request for Bid document. Our objections are:

- _____ 3. We do not feel we can be competitive.
- _____ 4. We cannot submit a Bid because of the marketing or franchising policies of the manufacturing company.
- _____ 5. We do not wish to sell to the Township of Whitehall.
Our objections are:

- _____ 6. We do not sell the items/services on which Bids are requested.
- _____ 7. Other: _____

FIRM NAME

SIGNATURE

_____ We wish to remain on the Bidders' List.

_____ We wish to be deleted from the Bidders' List.

CONTRACTORS QUALIFICATION STATEMENT

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

NAME: _____

ADDRESS _____

TELEPHONE _____ DATED _____

EXPLANATORY

Before any bids are deemed to be properly submitted to the Township of Whitehall, Pennsylvania, it will be required that each and every question herein contained be answered, giving specific, definite and detailed information. An answer must not be evasive, indefinite or general.

Qualifications of Bidders: After the bid opening, the Township of Whitehall may make such investigation as it deems necessary to determine the ability of the bidders to perform the work, and the bidders shall furnish to the Township all such information and data for this purpose as the Township may request. The Township reserves the right to reject any bid if the evidence submitted by or investigation of, such bidder fails to satisfy the Township that such bidder is properly qualified and responsible to carry out the obligations of the contract and to complete the work contemplated therein.

If the space provided in this form to answer any question is not large enough, the contractor shall add additional sheets or space.

1. How many years has your organization been in business as a contractor under your present name? _____

2. Have you ever failed to complete any work awarded to you? If so when, where and why? _____

3. Has any officer or partner of your organization ever failed to complete a municipal contract handled in his own name? If so, when, where and why? _____

a. Has any officer or partner of your organization been in business under any other corporate organization or partnership which failed to complete a municipal contract: If so, when, where and why? _____

4. Have liens or lawsuits of any kind been filed against any of your contracts? Give full details. _____

5. If a corporation, state:

a. Date when organized _____

b. Under the laws of what state organized _____

6. List Surety Companies and Bonding Companies which have heretofore bonded you (give name and address of company and name and amount of contract and amount of bond for the same) within the last five (5) years.

_____ \$ _____

_____ \$ _____

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

6. (Cont'd.)

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

7. List all contracts which you are now performing, or for which you have signed contracts but not started work.
(Give names and amounts of contracts and owners).

8. State all your banking connections and give banking references:

9. The work, if awarded to you will have the personal supervision of whom? _____

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

THIS AGREEMENT, made and entered into this _____, 2013, by and between Whitehall Township, 3219 MacArthur Road, Whitehall, PA 18052, a body corporate and politic, existing under and by virtue of the Laws of the Commonwealth of Pennsylvania, hereinafter referred to as the OWNER, party of the first part,

A
N
D

_____, a Contractor doing business under the Laws of the Commonwealth of Pennsylvania, with its principal office at Address, hereinafter called the CONTRACTOR, party of the second part.

WHEREAS, the OWNER, pursuant to the authority vested in it by the Acts of Assembly of the Commonwealth of Pennsylvania, did, by advertisement heretofore made in accordance with the provisions of said Acts, invite proposals for the construction of:

**CONTRACT NO. 13-03
DEMOLITION PROJECT - 896 THIRD STREET**

and

WHEREAS, in accordance with said advertisement and with the documents prepared by the Township and submitted to bidders, the CONTRACTOR submitted to the OWNER a proposal for the construction of the said work, and a contract was duly awarded by the OWNER to the CONTRACTOR for the construction of the work for the prices specified in the proposal, and the same was duly approved by the OWNER; and whereas the Information for Bidders, the Standard Contract Provisions, the Specifications (Standard, Detail and all Addenda), the Contract Plans, the Proposal, and a copy of the Advertisement, and all other Contract Documents are made a pertinent part of this Contract as if incorporated herein. Also included in the enumeration of Contract Documents are the Certification Forms associated with the Community Development Block Grant funding.

CONTRACTOR also agrees to attend the Preconstruction Conference and to complete and fill all information and certifications required by Whitehall Township in connection with the Community Development Block Grant funding for the named project.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that the CONTRACTOR agrees to provide and furnish all labor; all necessary tools, plants, machinery, and equipment; all utility and transportation services; and all materials, both expendable and permanent; and, at its own risk and expense, to construct and complete all items of work within the time specified, time being of the essence of this Contract; all in accordance with the Information for Bidders, the Specifications (Standard, Detail and Addenda), the Contract Plans and Detail Drawings as may be furnished or approved by the OWNER, all other Contract Documents, and such instructions as may be issued by the OWNER during the progress of the work, and to complete all items of work therein required to be done within the time specified.

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

CONTRACTOR asserts that he is experienced and able to properly complete the work in accordance with the provisions and schedules contained in the Contract Documents and agrees to provide a resume of his experience and financial responsibility to become a part of this Agreement.

THIS AGREEMENT FURTHER WITNESSETH that the OWNER will pay and the CONTRACTOR will accept, in full consideration for the performance of the CONTRACTOR'S obligation hereunder, the sum of _____ (\$ _____).

THIS AGREEMENT FURTHER WITNESSETH that the CONTRACTOR, by executing this agreement, declares and asserts that it has read each and every clause in each of the Contract Documents, which are hereby made a part hereof with like force and effect as though recited herein at length, and fully understands the meaning of same, and that, in connection therewith, he has examined the site of the work and fully understands the character of the work to be done under this agreement and agrees to complete the work in the number of days set forth in the Contract Documents.

THIS AGREEMENT FURTHER WITNESSETH that the CONTRACTOR agrees, simultaneously with the execution of this agreement, to deliver to the OWNER a Performance Bond with corporate surety and a Payment Bond in the full amount of the contract price; said corporate surety shall be satisfactory to the OWNER. The CONTRACTOR likewise, simultaneously with the execution of this agreement, shall deliver to the OWNER a Certificate of Insurance satisfactory to the OWNER, certifying that adequate and complete insurance is carried by the CONTRACTOR, in complete accordance with the requirements of the Contract Documents.

THIS AGREEMENT FURTHER WITNESSETH that the CONTRACTOR herein certifies that it is familiar with Act No. 247 of 1972 of the Commonwealth of Pennsylvania which requires that the provisions of Federal and State Statutes, Rules and Regulations dealing with the prevention of Environmental Pollution in the preservation of public natural resources be set forth and hereby acknowledges that it has been advised that certain statutes of the Commonwealth of Pennsylvania and of the United States of America and the rules and regulations of appropriate Bureaus may govern a portion or portions of the work, including, but not being limited to, the Clean Streams Law, the Act of June 22, 1937, P.L. 1987, as amended, 35 P.S. 691.1 et seq., and the regulations promulgated by the Department of Environmental Resources thereunder, and the Act regulating Vehicle Emission Systems being the Act of June 16, 1972, of the Commonwealth of Pennsylvania.

THIS AGREEMENT FURTHER WITNESSETH that the CONTRACTOR further agrees that there shall be no discrimination against any employee, any applicant for such employment, or any other person in carrying out this project because of race, religion, color, national origin, sex or age and that all requirements of the Pennsylvania Human Relations Act (43 P.S. 951, et seq.), 43 P.S. 153, Executive Order 1972-1, and Contract Compliance Regulations (16 PA Code, Ch. 49) as revised and printed in the Pennsylvania Bulletin, Vol. 5, No. 10, Saturday, March 8, 1975, of the Pennsylvania Human Relations Commission are part of this Agreement.

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

IN WITNESS WHEREOF, the OWNER, by virtue of a motion duly passed by its Governing Body, has caused this contract to be signed and executed in the name of the OWNER and for the OWNER and the corporate seal of the OWNER to be affixed hereto and attested to by its Secretary, and the CONTRACTOR has caused this instrument to be executed the day and year first above written.

(Owner)

By: _____
(Signature)

Title: _____

ATTEST:

(SEAL)

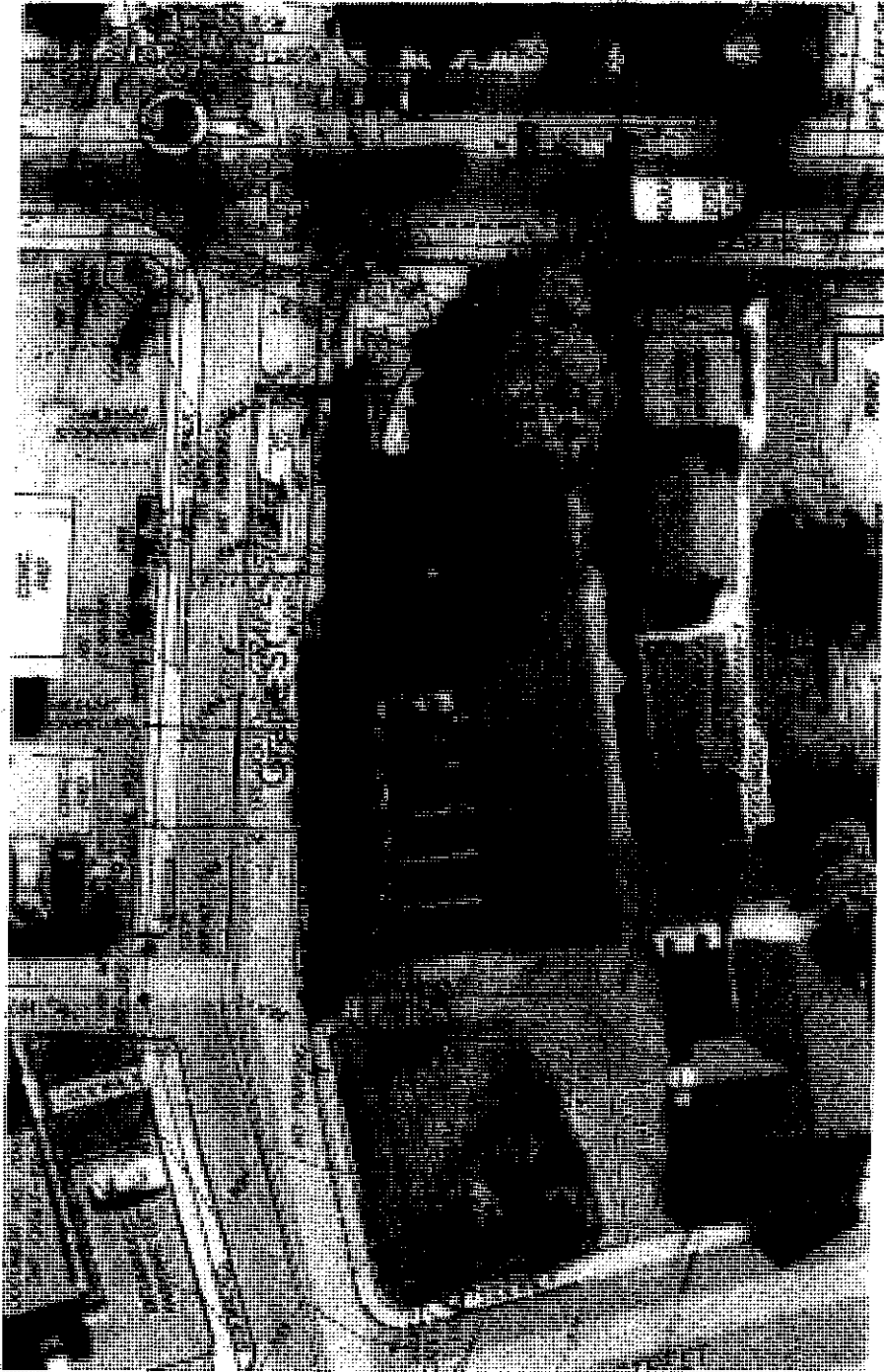
(Contractor)

By: _____
(Signature)

Title: _____

WITNESS/ATTEST:

(SEAL)



PROPOSAL/SIGNATURE PAGE

TO: WHITEHALL TOWNSHIP
3219 MacArthur Road
Whitehall, PA 18052

DATE: _____
BID NO.: _____
BID NAME: _____

The Undersigned having examined the Specifications, Standard Requirements and all other documents and being familiar with the various conditions under which these services and/or supplies are to be used, agrees to furnish all labor, material, tools, equipment and services to furnish the requirements called for in the bid, for the prices stated on Proposal Page.

The Undersigned hereby certify that this proposal is genuine and not sham, collusive, or fraudulent or made in the interest of or in behalf of any person, firm or corporation not herein names, and that the undersigned has not, directly or indirectly, induced or solicited any Bidder to submit a sham bid or any other person, firm or corporation from bidding and that the undersigned has not, in any manner, sought by collusion to secure for himself any advantage over any other Bidder.

TOTAL COST TO RAZE 896 THIRD STREET

\$15,500^{00/100}

After thousand after hundred dollars
(Price as expressed in written form)

NAME OF APPROVED DUMP SITE Commonwealth Environmental

Company Name Maconna Ent Inc

Address 610 3rd St

Port Carbon PA 17965
Zip Code

Signature [Signature]

Print Name Vincent Maconna

Title President

Phone 610 573 6157 Fax 610 622 5121

Years in Business 10 as () Individual () Partuer or (X) Corporation

Federal I.D.# 20-8062933 or Social Security # _____

(Seal)

NO BID REPLY FORM

TRACT 13 - 03
MOLITION OF 896 THIRD STREET PROPERTY

NAME: Masonna Ent Inc
ADDRESS 6010 8th St Port Carbon PA 17945
TELEPHONE 610 512 2787 DATED 3/14/13

EXPLANATORY

Before any bids are deemed to be properly submitted to the Township of Whitehall, Pennsylvania, it will be required that each and every question herein contained be answered, giving specific, definite and detailed information. An answer must not be evasive, indefinite or general.

Qualifications of Bidders: After the bid opening, the Township of Whitehall may make such investigation as it deems necessary to determine the ability of the bidders to perform the work, and the bidders shall furnish to the Township all such information and data for this purpose as the Township may request. The Township reserves the right to reject any bid if the evidence submitted by or investigation of, such bidder fails to satisfy the Township that such bidder is properly qualified and responsible to carry out the obligations of the contract and to complete the work contemplated therein.

If the space provided in this form to answer any question is not large enough, the contractor shall add additional sheets or space.

1. How many years has your organization been in business as a contractor under your present name? 10
2. Have you ever failed to complete any work awarded to you? If so when, where and why? NO
3. Has any officer or partner of your organization ever failed to complete a municipal contract handled in his own name? If so, when, where and why? NO
 - a. Has any officer or partner of your organization been in business under any other corporate organization or partnership which failed to complete a municipal contract? If so, when, where and why? NO
4. Have liens or lawsuits of any kind been filed against any of your contracts? Give full details. NO
5. If a corporation, state:
 - a. Date when organized 2004
 - b. Under the laws of what state organized Pennsylvania
6. List Surety Companies and Bonding Companies which have heretofore bonded you (give name and address of company and name and amount of contract and amount of bond for the same) within the last five (5) years.

<u>Western Surety</u>	\$ <u>140,000</u>
<u>Western Surety</u>	\$ <u>79,800</u>

CONTRACT 13 - 03
DEMOLITION OF 896 THIRD STREET PROPERTY

6. (Cont'd.)

<u>Western Surety</u>	\$ <u>89,900</u>
<u>Western Surety</u>	\$ <u>18,600</u>
<u>Western Surety</u>	\$ <u>74,000</u>
<u>Western Surety</u>	\$ <u>15,100</u>
<u>Western Surety</u>	\$ <u>80,000</u>

7. List all contracts which you are now performing, or for which you have signed contracts but not started work. (Give names and amounts of contracts and owners).

Miller Bros Const - Demo of Cabanisco Lumber
Shelbyville County - Demo of Single Structure home
City of Shrookline - Demo + cleanup of Hazardous site

8. State all your banking connections and give banking references:

First National Bank - 570 622-0270

9. The work, if awarded to you will have the personal supervision of whom? Vincent Macoma

CONTRACT (No. 13-03)

THIS CONTRACT made this 03 day of April, 2013, by and between Madonna Enterprises Inc., hereinafter referred to as the "Contractor"), and THE TOWNSHIP OF WHITEHALL, a Pennsylvania home rule charter municipality and municipal corporation (hereinafter referred to as the "Township").

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises contained herein, and intending to be legally bound, do hereby agree as follows:

1. This Contract relates to the work, materials, and/or equipment described in the Instructions to Bidders and Specifications prepared by the Township, dated March 2013, and identified as:

"DEMOLITION PROJECT 896 THIRD STREET"

2. When used herein, the term "Contract" shall include, when applicable and unless expressly excluded hereby, this contract document, the Notice to Bidders, Instructions to Bidders, Specifications, Drawings, Plans, Terms, Conditions, Contractor's Proposal, Contractor's Performance Bond, and Contractor's Labor and Materialmen's Payment Bond related hereto, and any addenda thereto. Said documents are hereby expressly incorporated herein by reference.

3. The Contractor shall perform all the work and deliver all materials and equipment necessary to fully and completely comply with this Contract.

4. In exchange for full and complete compliance with this Contract by the Contractor and upon acceptance by the Township of the work, materials, and equipment specified in this Contract (collectively referred to herein as the "Work"), the Township shall pay the total Contract price of Fifteen Thousand, Five Hundred 00/100 Dollars (\$15,500.00) in accordance with the schedule of payments, if any, set forth in this Contract.

5. The Contractor shall only employ first class workers duly skilled in the type of labor they are employed to perform with respect to the work to be performed under this Contract.

6. The Contractor agrees:

(a) That in the hiring of employees for the performance of work under this contract or any subcontract hereunder, no contractor, subcontractor, nor any person acting on behalf of such contractor or subcontractor shall, by reason of race, creed, color, national origin, ancestry, or gender, discriminate against any citizen of the United States who is qualified and available to perform the work to which the employment relates;

(b) That no contractor, subcontractor, nor any person on his behalf shall, in any manner, discriminate against or intimidate any employee hired for the performance of work under this Contract on account of race, creed, color, national origin, ancestry, or gender;

(c) That the contractor shall comply with all provisions of the Americans and Disabilities Act P.L. 101-336 (1990) and shall hereby aver that it will not discriminate against any employee or applicant for employment because of disability.

(d) That there may be deducted from the amount payable to the Contractor under this Contract a penalty of five dollars (\$5.00) for each person for each calendar day during which such person was discriminated against or intimidated in violation of the provisions of this Contract; and

(e) That the contract may be cancelled or terminated by the Township and all money due or to become due hereunder may be forfeited for a second or any subsequent violation of the terms or conditions of this paragraph.

7. The Contractor agrees to furnish within the prescribed time all bonds and certificates of insurance required by this Contract or applicable laws or regulations. The Contractor agrees that no work shall be performed and no materials or equipment shall be furnished under this Contract until said bonds and certificates are received and accepted by the Township.

8. The Contractor shall comply with all federal, state, and local laws, ordinances, and regulations which may pertain to the Work and the contractor shall be responsible to have knowledge of all applicable federal, state, and local laws, ordinances and regulations. Specifically, the contractor shall comply with all applicable minimum or prevailing wage requirements, whether federal or state, by paying his workers no less than the minimum wage rates required with respect to the Work.

9. If this Contract entails any work involving the employment of labor, the Contractor agrees to accept the provisions of the Pennsylvania Workmen's Compensation Act insofar as the Work is concerned and contractor will insure its liability thereunder or file with the Township a certificate of exemption from insurance from the Bureau of Workmen's Compensation. The Contractor shall not sign this Contract until it has furnished to the Township, to the extent required by this paragraph, proof of its acceptance of the Workmen's Compensation Act and proof that it has insured its liability thereunder or filed the appropriate certificate of exemption with the Township. If the Contractor shall sign this Contract in violation of the preceding sentence, this Contract shall be void and of no force or effect against the Township until the required proof is presented to the Township, and Township shall be deemed to have not signed this Contract until such time.

10. Upon the breach or anticipatory breach of any one or more of the terms of this Contract by the Contractor, the Township shall have the right to assert any remedy available at law or in equity therefore, and shall not be confined solely to those remedies, which may be specifically provided in this Contract. The Township's remedies shall include, but not be limited to: (a) withholding from the Contractor as much of the accrued payments or advances as the Township may consider necessary to cover any consequential damages caused in whole or in part by the acts, omissions, or threatened acts or omissions of the Contractor, his agents or assigns, after written notice thereof to the Contractor; (b) termination of this Contract; (c) completion of this Contract by the Township or by any of its agents, employees, or designated independent contractors (whether designated by the Township or any bonding company); (d) suit for damages for breach of contract; (e) suit upon the bond(s), if any, provided by the Contractor; (f) any other legal or equitable remedy which the law would provide the Township for the enforcement of, or for the Contractor's breach of, any of the provisions of this Contract. The remedies available to the Township shall be cumulative so that if the Township pursues one remedy against the Contractor with respect to any breach or anticipatory breach, the Township shall not be excluded from pursuing any other available remedies for such breach.

11. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context requires.

12. The invalidity or unenforceability of any particular provision of this Contract shall not affect the validity or enforceability of the other provisions hereof, and this Contract shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

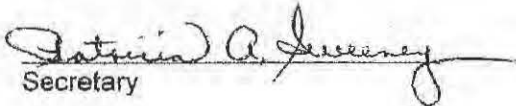
13. Indulgences extended by the Township to the Contractor shall not be construed as a waiver of any breach by the Contractor, nor shall any waiver of one breach be construed as a waiver of any rights or remedies with respect to any subsequent breach.

14. This Contract shall be binding upon the parties hereto and their respective heirs, personal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Contract the day and year first above written, intending to be legally bound.

Attest:

TOWNSHIP OF WHITEHALL

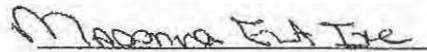

Secretary

By: 
Mayor

Attest:

(Contractor)
By: 


Secretary



8/20

WHITEHALL TOWNSHIP
DEVELOPMENT OFFICE
3219 MACARTHUR ROAD
WHITEHALL, PA 18052

APPLICATION FOR
PLAN EXAMINATION AND
BUILDING PERMIT

IMPORTANT - Applicant to complete all items in sections: I, II, III, IV, and IX.

I. LOCATION OF BUILDING

AT (LOCATION) 890 3rd St. (NO.) (STREET) ZONING DISTRICT C1

BETWEEN 2nd & Grove St. (CROSS STREET) AND _____ (CROSS STREET)

SUBDIVISION _____ LOT _____ BLOCK _____ LOT SIZE _____

II. TYPE AND COST OF BUILDING - All applicants complete Parts A - D

A. TYPE OF IMPROVEMENT

1 New building

2 Addition (If residential, enter number of new housing units added, if any, in Part D, 13)

3 Alteration (See 2 above)

4 Repair, replacement

5 Wrecking (If multifamily residential, enter number of units in building in Part D, 13)

6 Moving (relocation)

7 Foundation only

B. OWNERSHIP

8 Private (individual, corporation, nonprofit institution, etc.)

9 Public (Federal, State, or local government)

D. PROPOSED USE - For "Wrecking" most recent use

Residential

12 One family

13 Two or more family - Enter number of units - - - - -

14 Transient hotel, motel, or dormitory - Enter number of units - - - - -

15 Garage

16 Corport

17 Other - Specify _____

Nonresidential

18 Amusement, recreational

19 Church, other religious

20 Industrial

21 Parking garage

22 Service station, repair garage

23 Hospital, institutional

24 Office, bank, professional

25 Public utility

26 School, library, other educational

27 Stores, mercantile

28 Tanks, towers

29 Other - Specify old House demolition

C. COST (Omit cents)

10. Cost of improvement..... \$15,500

To be installed but not included in the above cost

a. Electrical.....

b. Plumbing.....

c. Heating, air conditioning.....

d. Other (elevator, etc.).....

11. TOTAL COST OF IMPROVEMENT \$15,500

Nonresidential - Describe in detail proposed use of buildings, e.g., food processing plant, machine shop, laundry building at hospital, elementary school, secondary school, college, parochial school, parking garage for, department store, rental office building, office building at industrial plant. If use of existing building is being changed, enter proposed use.

III. SELECTED CHARACTERISTICS OF BUILDING - For new buildings and additions, complete Parts E - L; for wrecking, complete only Part J, for all others skip to IV.

E. PRINCIPAL TYPE OF FRAME

30 Masonry (wall bearing)

31 Wood frame

32 Structural steel

33 Reinforced concrete

34 Other - Specify _____

F. PRINCIPAL TYPE OF HEATING FUEL

35 Gas

36 Oil

37 Electricity

38 Coal

39 Other - Specify _____

G. TYPE OF SEWAGE DISPOSAL

40 Public or private company

41 Private (septic tank, etc.)

H. TYPE OF WATER SUPPLY

42 Public or private company

43 Private (well, cistern)

I. TYPE OF MECHANICAL

Will there be central air conditioning?

44 Yes 45 No

Will there be an elevator?

46 Yes 47 No

J. DIMENSIONS

48. Number of stories..... 2 1/2

49. Total square feet of floor area, all floors, based on exterior dimensions..... 8000 sq ft

50. Total land area, sq. ft.....

K. NUMBER OF OFF-STREET PARKING SPACES

51. Enclosed.....

52. Outdoors.....

L. RESIDENTIAL BUILDINGS ONLY

53. Number of bedrooms.....

54. Number of bathrooms { Full..... Partial.....

NO. 10th-13 STREET
890 3rd Street

IV. IDENTIFICATION - To be completed by all applicants

Name	Mailing address - Number, street, city, and State	ZIP code	Tel. No.
1. Owner or Lessee <i>Whitehall Exp.</i>	<i>3321 McCasler Rd - Whitehall PA 3219</i>	<i>18052</i>	<i>437-5524</i>
2. Contractor <i>MADONE ENT INC</i>	<i>610 3rd Street Port Carbon PA 17965</i>		Builder's License No. <i>570</i>
3. Architect or Engineer	<i>Vince - (570) 573-2187</i>		<i>Applied for</i>

I hereby certify that the proposed work is authorized by the owner of record and that I have been authorized by the owner to make this application as his authorized agent and we agree to conform to all applicable laws of this jurisdiction.

Signature of applicant / Contractor <i>[Signature]</i>	Address	Application date
---	---------	------------------

DO NOT WRITE BELOW THIS LINE

V. PLAN REVIEW RECORD - For office use

Plans Review Required	Check	Plan Review Fee	Date Plans Started	By	Date Plans Approved	By	Notes
BUILDING		\$			<i>8/13/13</i>		
PLUMBING		\$					
MECHANICAL		\$					
ELECTRICAL		\$					
OTHER _____		\$					

VI. ADDITIONAL PERMITS REQUIRED OR OTHER JURISDICTION APPROVALS

Permit or Approval	Check	Date Obtained	Number	By	Permit or Approval	Check	Date Obtained	Number	By
BOILER					PLUMBING				
CURB OR SIDEWALK CUT					ROOFING				
ELEVATOR					SEWER				
ELECTRICAL					SIGN OR BILLBOARD				
FURNACE					STREET GRADES				
GRADING					USE OF PUBLIC AREAS				
OIL BURNER					WRECKING				
OTHER _____					OTHER _____				

VII. VALIDATION

Building Permit number _____	<p><i>CASH</i></p> <p><i>Pay 8/13/13</i></p> <p><i>\$4.00</i></p>	<p>FOR DEPARTMENT USE ONLY</p> <p>Use Group _____</p> <p>Fire Grading _____</p> <p>Live Loading _____</p> <p>Occupancy Load _____</p>
Building Permit issued _____		
Building Permit Fee \$ _____		
Certificate of Occupancy \$ _____		
Drain Tile \$ _____	<p>Approved by:</p> <p><i>Melissa Alvarado</i></p> <p><i>[Signature]</i></p> <p>TITLE</p>	
Plan Review Fee \$ _____		

BUILDING CONSTRUCTED AND INSPECTED UNDER IBC 2009

BUILDING PERMIT

DEPT. FILE COPY

AMOUNT PAID

VALIDATION

APPLICANT: Madonna Enterprises, Inc. DATE: August 19, 2013 PERMIT NO: B# 1066-13
 ADDRESS: 610 Third Street, Port Carbon, PA 17965 (CONTR'S LICENSE)
 PERMIT TO: Demolition of residential structure (TYPE OF IMPROVEMENT) NO. () STORY: single family (PROPOSED USE) NUMBER OF DWELLING UNITS: ()

AT (LOCATION) 896 Third Street (NO.) (STREET) ZONING DISTRICT: C1
 BETWEEN Third (CROSS STREET) AND Grape (CROSS STREET)

SUBDIVISION: _____ LOT: _____ BLOCK: _____ LOT SIZE: _____

BUILDING IS TO BE _____ FT. WIDE BY _____ FT. LONG BY _____ FT. IN HEIGHT AND SHALL CONFORM IN CONSTRUCTION TO TYPE _____ USE GROUP: R3 BASEMENT WALLS OR FOUNDATION _____ (TYPE)

REMARKS: MUST CONTACT KEYSTONE CODE CONSULTING & ENFORCEMENT FOR INSPECTION: 610-866-9663

AREA OR VOLUME _____ (CUBIC/SQUARE FEET) ESTIMATED COST: \$ 15,500.00 PERMIT FEE: \$ 4.00

OWNER: Whitehall Township
 ADDRESS: 3219 MacArthur Rd, Whitehall, PA 18052
 BY: Madonna Alcasas (Signature)
 BUILDING DEPT.

(Affidavit on reverse side of application to be completed by authorized agent of owner)

FORM NO. I.C.C. - BP-2003

Building Code Department
Whitehall Township
3219 MacArthur Road
Whitehall, PA 18052

8/19/2013
A83515

RE: **896 Third St.**

Workscope: 896 3rd St
Description: Demolition of residential structure

Building Code Department:

We have received for review the Permit Application and plans for the proposed construction in the noted authority having jurisdiction. This project has been reviewed for compliance with the municipality's adoption of the Pennsylvania Uniform Construction Code and the subsequent code revisions as adopted by the municipality. All code references made in this review are based on the noted edition of the International Code Council code series.

The project has been reviewed for conformance with the following code(s) Code Edition **2009 IBC**

- | | | | |
|---|----------------------------------|--------------------------------------|----------------------------------|
| <input checked="" type="checkbox"/> IBC | <input type="checkbox"/> IEBC | <input type="checkbox"/> IPC | <input type="checkbox"/> NFPA 72 |
| <input type="checkbox"/> IMC | <input type="checkbox"/> NFPA 13 | <input type="checkbox"/> IFGC | <input type="checkbox"/> IRC |
| <input type="checkbox"/> NFPA 70 | <input type="checkbox"/> IECC | <input type="checkbox"/> ANSI A117.1 | <input type="checkbox"/> |

The project is approved as submitted

approved with comments *

* comments may be found on plans in red or as an attachment to the approved plans

Approval Comments: See attached demo requirements

Project Code Data: Provided Not Provided Assumed

Use Group: **R3** Construction Type: **VB**
Area: **8000** SF Height: **2 sty** Occupant Load: **NA**
Sprinkler Yes No

Plan Examiner:

- David Shields PA UCC # 84 Michael Metzger PA UCC #385 Randy Gillespie PA UCC #812

**MUNICIPAL
COPY**

PROJECT ADDRESS: **896 Third St.**MUNICIPALITY: **Whitehall Township**

WORK SCOPE: 896 3rd St

A83515

DESCRIPTION: Demolition of residential structure

COMMERCIAL PROJECT - REQUIRED INSPECTIONS

- * Construction work must be inspected in accordance with these instructions.
- * Request for inspections should be made at least forty-eight (48) hours in advance.
- * Re-Inspection fees will be charged for all failed inspections.
- * It shall be the PERMIT APPLICANT'S RESPONSIBILITY to call and arrange the following mandatory inspections. Failure to do so may result in an additional fee.
- * When calling for inspection, please have the following information: Permit number, Municipality, Street Address, Type of Inspection, and Contact Information.

 Other

Demo start up

 Final Building

Any above inspections that apply shall be completed. Smoke detectors, handrails, guardrails, plus exterior landings and steps shall be completed.

ystone Code Consulting and Enforcement

PO Box 391
Bethlehem, Pennsylvania 18016-0391

Phone 610.866.9663

Fax 610.866.2664

Demolition Permit Information

Date

Jurisdiction

Project

Address

Demolition shall be in conformance with Chapter 33 of the IBC current edition:

1. Utilities shall be terminated and capped.
2. Protection of the public shall be provided and maintained during demo.
3. Provisions shall be made to prevent the accumulation of water and debris
4. Site shall be restored at end of demo.
5. All work shall be in conformance with approved plans and schedule, and all state and local regulations.

Whitehall Township
 3219 MacArthur Road
 Whitehall, PA 18052

August 19, 2013

 A83515

RE: **896 Third St., Whitehall, PA**

Workscope: 896 3rd St
 Description: Demolition of residential structure

Following is the breakdown of the costs for this project: Square Footage: **0.00**

Permit Fee:	
Base Fee:	\$0.00
Square Footage Fee:	\$0.00
Energy Fee:	\$0.00
Plan Review Fee:	\$0.00
Sub-Total:	\$0.00
Less PR Fee Paid:	\$0.00
Township Fee:	\$0.00
State Fee:	\$0.00
Building Permit Fee:	\$0.00
Plumbing Fee:	\$0.00
Plan Review Fee:	\$0.00
Township Fee:	\$0.00
State Fee:	\$0.00
Total Plumbing:	\$0.00
Water-Sewer Line:	\$0.00
Plan Review Fee:	\$0.00
Township Fee:	\$0.00
State Fee:	\$0.00
Total Plumbing:	\$0.00
Mechanical Fee:	\$0.00
Plan Review Fee:	\$0.00
Township Fee:	\$0.00
State Fee:	\$0.00
Total Mechanical:	\$0.00

Permit Fee:	
Electrical Fee:	\$0.00
Plan Review Fee:	\$0.00
Township Fee:	\$0.00
State Fee:	\$0.00
Total Electrical:	\$0.00
Sprinkler Fee:	\$0.00
Plan Review Fee:	\$0.00
Township Fee:	\$0.00
State Fee:	\$0.00
Total Fire Protection:	\$0.00
Demolition	\$1,130.00
Plan Review Fee:	\$0.00
Township Fee:	\$20.00
State Fee:	\$4.00
Total Other:	\$1,154.00
	\$0.00
Plan Review Fee:	\$0.00
Township Fee:	\$0.00
State Fee:	\$0.00
Total Other 2:	\$0.00

If you have any questions or need any further information, please let me know. Thank you.

Sincerely,
 David I. Shields, President

RECEIVED
AUG 15 2013
WHITEHALL TOWNSHIP
DEVELOPMENT

ATT

Permit Dept.

2700-FM-AQ0021 Rev. 11/2007



ASBESTOS ABATEMENT AND DEMOLITION/RENOVATION NOTIFICATION FORM

For Official Use Only	Date Received 1	Date Received 2
Postmark Date: _____		
Project ID#: _____		
Permit #: _____		
Other #: _____		
Inspector: _____		
<p>NOTICE: This is not a valid asbestos abatement notification for the purposes of the Asbestos Occupations Accreditation and Certification Act unless individuals and contractors have met the certification requirements as set forth in the Asbestos Occupations Accreditation and Certification Act, Act of 1990, P.L. 805, No. 194 (83 P.S. Sections 2101-2112).</p>		

REFER TO THE ATTACHED INSTRUCTIONS FOR INFORMATION AND REQUIREMENTS.

1.	TYPE OF NOTIFICATION (check one): <input type="checkbox"/> Revision (highlight here, and changes) <input type="checkbox"/> Postponement Date of Initial Notification or, if previously revised, date of last revision: _____	<input checked="" type="checkbox"/> Initial <input type="checkbox"/> Phase of Annual Notification <input type="checkbox"/> Cancellation <input type="checkbox"/> Annual Notification
2.	PROJECT LOCATION (check one): <input type="checkbox"/> Allegheny County <input type="checkbox"/> City of Philadelphia <input type="checkbox"/> Other Location in PA (specify county): <u>Lehigh</u>	
3.	For Allegheny County and City of Philadelphia projects only: A. Does this project require a permit? <input type="checkbox"/> Yes <input type="checkbox"/> No (If Yes is checked, a permit application must be submitted along with this notification and approved prior to the start of the project.) B. For City of Philadelphia projects requiring a permit: Asbestos project inspector: _____ Certification #: _____ Company name: _____ Address: _____ City: _____ State: _____ Zip: _____ Phone: _____	
4.	WILL ALTERNATIVE METHODS TO ANY OF THE APPLICABLE REGULATIONS BE USED? <input type="checkbox"/> Yes <input type="checkbox"/> No (If Yes is checked, approval must be obtained prior to the start of the project. Please contact the appropriate DEP regional office or local government agency (see reverse of Instruction Sheet for contact list).	
5.	TYPE OF OPERATION (check one): <input checked="" type="checkbox"/> Demolition <input type="checkbox"/> Ordered Demolition <input type="checkbox"/> Abatement prior to Demolition <input type="checkbox"/> Renovation <input type="checkbox"/> Emergency Renovation	
6.	FACILITY DESCRIPTION: Job No.: _____ (see instructions) Facility Name: <u>None</u> Street/Rural Address: <u>885 third street</u> City: <u>Whitehall</u> State: <u>PA</u> Zip Code: <u>18052</u> Present use: <u>vacant</u> Prior use: <u>residential structure</u> Will the facility be occupied during the abatement activity? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Facility size in square feet: <u>600 sq ft</u> # of floors: <u>2</u> Age in years: <u>25+</u>	
7.	ABATEMENT CONTRACTOR: Company name: <u>Forrester Environmental</u> Allegheny County or City of Philadelphia License # (if applicable): _____ Street/Rural/POB Address: _____ City: <u>Bloomsburg</u> State: <u>PA</u> Zip: _____ Contact: <u>Stan</u> Telephone No. (between 8:00 & 4:30): <u>570-401-0203</u>	

2700-FM-AQ0021 11/2007

8. DEMOLITION CONTRACTOR:
 Company name: Madonna Enterprises Inc.
 Street/Rural/POB Address: 810 3rd Street
 City: Port Carbon State: PA Zip: 17965
 Contact: Vince Telephone No. (between 8:00 & 4:30): 570-573-2787

9. FACILITY OWNER:
 Owner name: Whitehall Township
 Street/Rural/POB Address: 3218 MacArthur Road
 City: Whitehall State: PA Zip: 18062
 Contact: Mary Ann Miller Telephone No. (between 8:00 & 4:30): _____

10. FACILITY INSPECTION (required for renovation and demolition projects):
 Building Inspector: Forrester Environmental Certification # 026263
 Date of inspection: 4-15-13 Is any material assumed to be asbestos? Yes No
 Procedure, including analytical method, if appropriate, used to detect the presence of asbestos material:
PLM Bulk Samples

Building is ID and in danger of collapse. An asbestos investigator will be on site during demolition. (Philadelphia only)

11. IS ANY TYPE OF ASBESTOS PRESENT Yes No If Yes, please list in #12

12. TYPE OF ACM, DESCRIPTION & LOCATION OF MATERIAL, APPROXIMATE AMOUNT OF ACM, TYPE OF ABATEMENT AND FINAL AIR CLEARANCE METHOD.
 PROVIDE INFORMATION IN THE SPACES BELOW, THEN CONTINUE ON ANOTHER SHEET, IF NECESSARY. USING THE SAME FORMAT.

Code *	Description of material	Location of material (room/floor/area)	Amount of ACM	Code **	Code ***	Code ****

Code *	Code **	Code ***	Code ****
Type of ACM	Units	Type of abatement	Final Clearance
FRI - Friable ACM	LF - Linear ft.	REM - Removal	PCM - Phase contrast microscopy
NF1 - Cat I nonfriable ACM	SF - Square ft.	CAP - Encapsulation	TEM - Transmission electron microscopy
NF2 - Cat II nonfriable ACM	CF - Cubic ft.	CLO - Enclosure	
(Note: Allegheny County treats all ACM as friable)		NON - None	

13. Is this project regulated by NESHAP Yes No
 A project that includes the demolition of any defined "facility" is regulated by NESHAP. A renovation project is also regulated by NESHAP when the amounts of friable ACM, or ACM that may be rendered friable, are as follows: 280 LF or 160 SF or 35 CF.

3700-FM-AQ0021 11/2007

14. OPERATION SCHEDULE(S) (as applicable)

- A. Asbestos abatement: Start Date: _____ Completion Date: _____
 Daily hours of operation: _____ am _____ pm to _____ am _____ pm
 Days of week (check) Mo Tu We Th Fr Sa Su
- B. Demolition: Start Date: 4-30-13 Completion Date: 5-30-13
 Daily hours of operation: 7 _____ am pm to 5 _____ am pm
 Days of week (check) Mo Tu We Th Fr Sa Su
- C. Renovation: Start Date: _____ Completion Date: _____
 Daily hours of operation: _____ am _____ pm to _____ am _____ pm
 Days of week (check) Mo Tu We Th Fr Sa Su

COMMENTS:

15. DESCRIPTION OF PLANNED DEMOLITION OR RENOVATION WORK:

Demolish and dispose of property

16. DESCRIPTION OF WORK PRACTICES AND ENGINEERING CONTROLS TO BE USED TO REMOVE ACM AND TO PREVENT EMISSIONS OF ASBESTOS AT THE DEMOLITION AND RENOVATION SITE:

17. WASTE TRANSPORTER(S)

- A. Transporter #1 name: Madonna Enterprises Inc.
 Street/Rural Address: 610 3rd Street
 City: Port Carbon State: PA Zip: 17966
 Contact: Vince Telephone: 670-573-2787
- B. Transporter #2 name: _____
 Street/Rural Address: _____
 City: _____ State: _____ Zip: _____
 Contact: _____ Telephone: _____

2700-FM-AQ0021 11/2007

18. WASTE DISPOSAL SITE(S): (any asbestos containing material)

A. Landfill name: Commonwealth Environmental Systems DEP permit #: _____
 Street/Rural Address: Route 25 Hedges
 City: Hedges State: PA Zip: _____
 Contact: _____ Telephone: 670-895-3590

B. Landfill name: _____ DEP permit #: _____
 Street/Rural Address: _____
 City: _____ State: _____ Zip: _____
 Contact: _____ Telephone: _____

19. AIR MONITORING FIRM(S)

A. Company name/individual: _____
 Street/Rural Address: _____
 City: _____ State: _____ Zip: _____
 Contact: _____ Telephone: _____

B. Final clearance firm: (if different than 19A) _____
 Street/Rural Address: _____
 City: _____ State: _____ Zip: _____
 Contact: _____ Telephone: _____

Final clearance firm was hired by (check one) Contractor Owner
 Other Explain _____

20. AIR SAMPLE FIRM(S) (City of Philadelphia projects only)

A. PCM company name/individual: _____ Certification #: _____
 Street/Rural Address: _____
 City: _____ State: _____ Zip: _____
 Contact: _____ Telephone: _____

B. TEM company name: _____ Certification #: _____
 Street/Rural Address: _____
 City: _____ State: _____ Zip: _____
 Contact: _____ Telephone: _____

21. FOR EMERGENCY RENOVATIONS:

Date of emergency (mm/dd/yy): _____ Hour of emergency: _____ am pm
 Description of the sudden, unexpected event:

Explanation of how the event caused unsafe conditions or would cause equipment damage or an unreasonable financial burden as a consequence of complying with the 10 working day notification requirement:

3700-FR-AQ0021 11/2007

22. FOR ORDERED DEMOLITIONS (attach copy of order):

Government agency that ordered: _____
Name of individual who ordered: _____ Title: _____
Date of order (mm/dd/yy): _____ Date ordered to begin (mm/dd/yy): _____

23. DESCRIPTION OF PROCEDURES TO BE FOLLOWED IN THE EVENT THAT UNEXPECTED ASBESTOS IS FOUND OR PREVIOUSLY NONFRIABLE ASBESTOS MATERIAL BECOMES CRUMBLD, PULVERIZED, OR REDUCED TO POWDER:
Stop working and notify proper authorities

24. PENNSYLVANIA CERTIFICATIONS/LICENSES:

Project designer: _____ Certification #: _____
Contractor (Individual): _____ Certification #: _____
Supervisor: _____ Certification #: _____
Contractor (Firm) _____ Certification #: _____

***** SIGN BOTH STATEMENTS *****

25. I HEREBY CERTIFY THAT AN INDIVIDUAL TRAINED IN THE PROVISIONS OF 40 CFR PART 81 SUBPART M (if applicable) WILL BE ON-SITE DURING THE DEMOLITION OR RENOVATION AND EVIDENCE THAT THE REQUIRED TRAINING HAS BEEN ACCOMPLISHED BY THIS PERSON WILL BE AVAILABLE FOR INSPECTION DURING ALL WORKING HOURS, AND I CERTIFY THAT ALL WORK WILL BE DONE IN ACCORDANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL AGENCY RULES AND REGULATIONS.

 _____ 4-15-13 _____
(Original Signature of Owner/Operator) (Date)

Printed Name of Owner/Operator: Vincent Madonna Title: President

26. I HEREBY CERTIFY THAT THE FOREGOING STATEMENTS AND THE INFORMATION CONTAINED IN THIS NOTIFICATION FORM ARE TRUE. THIS CERTIFICATION IS MADE SUBJECT TO THE PENALTIES SET FORTH IN 18 PA C.S. §4904 RELATING TO UNSWORN FALSIFICATION TO AUTHORITIES.

 _____ 4-15-13 _____
(Original Signature of Owner/Operator) (Date)

Printed Name of Owner/Operator: Vincent Madonna Title: President

FOR OFFICIAL USE ONLY



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/16/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Gannon Associates 619 N. 8th St. Shamokin PA 17872	CONTACT NAME: Kim Potter PHONE (A/C, No, Ext): 670-648-4671 FAX (A/C, No): 570-648-8404 E-MAIL ADDRESS: kpotter@gannonassociates.com														
INSURED 71756 Madonna Enterprises, Inc. & Vincent J. Madonna 610 3rd St. Port Carbon PA 17965	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A: Selective Insurance Company</td> <td>0</td> </tr> <tr> <td>INSURER B: Selective Ins Co of America</td> <td>12572</td> </tr> <tr> <td>INSURER C: Excelsior Insurance</td> <td>11045</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Selective Insurance Company	0	INSURER B: Selective Ins Co of America	12572	INSURER C: Excelsior Insurance	11045	INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
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INSURER C: Excelsior Insurance	11045														
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES **CERTIFICATE NUMBER:** 1569537279 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SURR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			S 2081967	3/9/2013	3/9/2014	EACH OCCURRENCE \$1000000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100000 MED EXP (Any one person) \$10000 PERSONAL & ADV INJURY \$1000000 GENERAL AGGREGATE \$2000000 PRODUCTS - COM/OP AGG \$2000000 \$
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			S 2081967	3/9/2013	3/9/2014	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$10000			S 2081967	3/9/2013	3/9/2014	EACH OCCURRENCE \$1000000 AGGREGATE \$1000000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/MEMBER EXCLUDED? (Mandatory in NH) if yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	WC8681117	6/1/2013	6/1/2014	<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$500000 E.L. DISEASE - EA EMPLOYEE \$500000 E.L. DISEASE - POLICY LIMIT \$500000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)							

CERTIFICATE HOLDER

CANCELLATION

Township of Whitehall
 3219 MacArthur Road
 White Hall PA 18052

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Keystone Electrical Inspectors, Inc.

P.O. Box 391
 Bethlehem, PA 18016-0391
 Phone (610) 866-9663 Fax (610) 866-2664

Friday, Aug 30, 2013

Page 9 of 13

Inspection Status Report
Applicant: Whitehall Township
Inspections performed between 8/28/2013 and 8/28/2013

Owner	Address	Municipality	Contractor
9	986 Third St. Demo	Whitehall Township	Madone Enterprises, Inc.
Description:	Residential - Other	Tracking Number:	A83515
Power Co Notified:		PO Number:	
		Card Number:	A83515
		Permit Number:	1066-13
Comments:	Inspections: 8/28/2013 Final Building Inspection (Completed - Randy Gillespie)		
	House is down		

**Township of Whitehall,
Lehigh County, Pennsylvania**

**Financial Statements and
Supplementary Information**

December 31, 2012



REINSEL KUNTZ LESHER
certified public accountants & consultants

FOCUSED. ON YOU.

Township of Whitehall, Lehigh County, Pennsylvania

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December 31, 2012

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Independent Auditor's Report

To the Board of Commissioners
Township of Whitehall
Lehigh County, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Whitehall (the Township), Lehigh County, Pennsylvania, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Basis for Adverse Opinion

The Township has not recorded the retroactive cost of general infrastructure capital assets and has not recorded depreciation expense on those assets. Governmental Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, required the retroactive recognition of general infrastructure capital assets on the date of implementation and subsequent depreciation of those assets. The amount by which this departure affects the assets, liabilities, net position and changes in net position is not reasonably determinable.

The Township has elected to not comply with the requirements of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and, accordingly, has not recognized a long-term liability for postemployment benefits and does not recognize the cost of benefits based on an actuarial valuation and does not include the required disclosures related to postemployment benefits. The amount by which this departure affects the statement of net position and the statement of activities and related reconciliations is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraphs, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Township as of December 31, 2012, or the changes in financial position for the year then ended.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information on pages 4-10 and pages 46-51, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

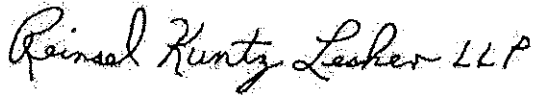
Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise the Township of Whitehall's basic financial statements. The accompanying financial information listed as supplementary information presented in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other

As further described in Note 13, during the year ended December 31, 2012, the Township adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The Township's financial statements have been restated to conform to these pronouncements as of January 1, 2011.

As described in Note 14, the 2011 net position has been restated for an error in a due to/from between the General Fund and Pension Trust Fund.



July 2, 2013
Wyomissing, Pennsylvania

Township of Whitehall

Management's Discussion and Analysis December 31, 2012

Our discussion and analysis of the Township of Whitehall's (the Township) financial performance provides an overview of the Township's financial activities for the year ended December 31, 2012. Please read it in conjunction with the Township's financial statements that begin on Page 11.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$16,576,390. Of this amount, \$4,809,822 is unrestricted and may be used to meet the government's on-going obligations to citizens and creditors.
- The Township's net position increased by \$2,033,495 for the year ended December 31, 2012.
- As of the close of fiscal year 2012, the Township's governmental funds reported combined ending fund balances of \$5,672,585. Approximately 50% of this total amount is available for spending at the government's discretion. The remaining 50% is held for specific capital expenditures, transportation needs, property maintenance, recreation purposes and debt service.
- The Township's long-term debt decreased by \$766,855 during 2012. The Township issued a Tax and Revenue Anticipation Note, Series of 2012 in the amount of \$1,010,848. The Note was paid off as of December 31, 2012.
- The Township adopted the provisions of Government Accounting Standards Board (GASB) Statements No. 61, No. 63 and No. 65 for the year ended December 31, 2012. The 2011 financial information presented in this MD&A has been restated to conform with these standards.

Overview of the Financial Statements

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, notes to the financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Township:

Government-Wide Financial Statements - The statement of net position presents information on Whitehall Township's assets (excluding the retroactive cost of general infrastructure capital assets) and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Whitehall Township is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Township of Whitehall

Management's Discussion and Analysis

December 31, 2012

Overview of the Financial Statements (continued)

Fund Financial Statements - Fund financial statements focus on the individual parts of the Township's government. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant (major) funds. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending.

Notes to the Financial Statements - The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Required Supplementary Information - The management's discussion and analysis, pension funding information and the budgetary comparison schedules represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements and notes (referred to as the "basic financial statements").

Other Supplementary Information - Combining statements for the nonmajor government funds are presented as other supplementary information.

Reporting the Township as a Whole

The Township's Reporting Entity Presentation

This annual report includes all activities for which the Township is responsible. Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the reporting entity, we have considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the Township. There are no agencies or entities that should be presented with the Township.

Government-Wide Financial Analysis

The Township is presenting its financial statements in the format prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The Statement of net position and the statement of activities report information about the Township as a whole, and about its activities, to measure the results of the year's activities.

Township of Whitehall

Management's Discussion and Analysis

December 31, 2012

Government-Wide Financial Analysis (continued)

Government-Wide Financial Statements

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$16,576,390 at the close of the fiscal year 2012. Of this amount, \$10,634,575 (or 64%) is accounted for by capital assets (e.g., land, buildings and equipment, construction in progress), less any related debt used to acquire those assets that are still outstanding.

The Township used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Township's net position at December 31, 2012 and 2011 is presented below:

	<u>2012</u>	<u>2011</u>
Assets		
Cash and cash equivalents	\$ 5,297,614	\$ 4,166,295
Other current assets	1,910,935	1,657,581
Capital assets	<u>15,471,747</u>	<u>15,578,733</u>
Total Assets	<u>\$ 22,680,296</u>	<u>\$ 21,402,609</u>
Liabilities		
Current liabilities	\$ 1,987,105	\$ 1,775,823
Long-term liabilities	<u>4,116,801</u>	<u>4,908,509</u>
Total Liabilities	<u>\$ 6,103,906</u>	<u>\$ 6,684,332</u>
Net Position		
Invested in capital assets, net of related debt	\$ 10,634,575	\$ 9,968,412
Restricted	1,131,993	1,023,606
Unrestricted	<u>4,809,822</u>	<u>3,726,259</u>
Total Net Position	<u>\$ 16,576,390</u>	<u>\$ 14,718,277</u>

Net position is shown as restricted if they can only be used for a specific purpose. Net position of the Township's State Highway Aid Fund and Traffic Impact Fund are considered restricted. The remaining net position is invested in capital assets, net of debt or unrestricted.

Township of Whitehall

Management's Discussion and Analysis
December 31, 2012

Government-Wide Financial Analysis (continued)

Government-Wide Financial Statements (continued)

The Township's change in net position for the year ended December 31, 2012 and 2011 is presented below:

	<u>2012</u>	<u>2011</u>
Revenues		
Program revenues:		
Charges for services	\$ 4,470,949	\$ 4,252,984
Operating grants and contributions	1,111,056	1,709,187
Capital grants and contributions	967,379	960,170
General revenues:		
Real estate taxes	6,089,744	5,416,671
Earned income taxes	4,854,119	4,593,728
Business privilege taxes	1,757,570	1,626,599
Other taxes levied for specific purposes	815,031	927,748
Interest income and rents	55,914	51,351
Fines and forfeits	175,539	162,636
Proceeds from sale of capital assets	51,447	4,498
Miscellaneous income	<u>326,239</u>	<u>56,685</u>
Total Revenues	<u>20,674,987</u>	<u>19,762,257</u>
Expenditures		
General government	1,240,077	1,251,153
Public safety	7,444,358	6,573,835
Public works	5,475,823	5,345,833
Culture and recreation	823,257	1,011,693
Insurance, employee benefits and miscellaneous	2,363,574	3,223,614
Depreciation - unallocated	1,095,484	1,071,751
Interest	198,919	206,635
Bond issue costs	<u>-</u>	<u>78,018</u>
Total Expenditures	<u>18,641,492</u>	<u>18,762,532</u>
Change in Net Position	<u>2,033,495</u>	<u>999,725</u>
Net Position, Beginning of Year, as Previously Reported	14,718,277	13,815,006
Prior period adjustments	<u>(175,382)</u>	<u>(96,454)</u>
Net Position, Beginning of Year, Adjusted	<u>14,542,895</u>	<u>13,718,552</u>
Net Position, End of Year	<u>\$ 16,576,390</u>	<u>\$ 14,718,277</u>

Township of Whitehall**Management's Discussion and Analysis**

December 31, 2012

Government-Wide Financial Analysis (continued)**Government-Wide Financial Statements (continued)**

Government-wide revenues for 2012 were primarily derived from property tax collections at 30% and earned income tax collections at 24% of the total. Charges for services, at 22%, are the third largest source of revenue.

Total expenses for all programs in 2012 were \$18,641,492. The expenses reflect the delivery of a wide range of services, with the largest being public safety at 40%. The second largest program is highways and streets at 29%.

Net Program Expenses (Revenues)

	<u>2012</u>	<u>2011</u>
General government	\$ (167,811)	\$ 37,361
Public safety	6,181,356	5,295,078
Public works - highways and streets	2,349,471	2,063,879
Culture and recreation	650,445	827,101
Insurance, employee benefits and miscellaneous	1,784,244	2,260,368
Depreciation and interest	1,294,403	1,278,386
Bond issue costs	<u>-</u>	<u>78,018</u>
Total Net Program Expenses (Revenues)	<u>\$ 12,092,108</u>	<u>\$ 11,840,191</u>

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. Public safety expenses required the most general revenues for support, needing approximately \$6.2 million in 2012. Public works expenses required approximately \$2.3 million in general revenues for support.

Capital Assets and Debt Administration**Capital Assets**

The Township's investment in capital assets for its governmental activities as of December 31, 2012 and 2011 totals \$15,471,747 and \$15,578,733 (net of accumulated depreciation), respectively. The Township's investment in capital assets includes land, buildings and improvements, machinery and equipment, traffic signals and infrastructure acquired after 2003. Infrastructure includes land improvements, roads, bridges and storm water lines.

This year's major additions included:

Various road projects	\$ 563,889
SCBA - air-paks (equipment)	219,406

Township of Whitehall

Management's Discussion and Analysis
December 31, 2012

Capital Assets and Debt Administration (continued)

Capital Assets (continued)

Governmental Activities

Summary of Capital Assets (Net of Accumulated Depreciation) at December 31

	<u>2012</u>	<u>2011</u>
Capital assets not being depreciated:		
Land	\$ 2,095,064	\$ 2,095,064
Construction in progress	<u>45,113</u>	<u>800,962</u>
	<u>2,140,177</u>	<u>2,896,026</u>
Capital assets being depreciated:		
Buildings and improvements	5,786,215	6,101,987
Machinery and equipment	800,827	649,857
Traffic signals	1,026,029	1,156,108
Infrastructure	<u>5,718,499</u>	<u>4,774,755</u>
	<u>13,331,570</u>	<u>12,682,707</u>
Total Capital Assets	<u>\$ 15,471,747</u>	<u>\$ 15,578,733</u>

All assets of the primary government are depreciated using the straight-line method.

Additional information on the Township's capital assets can be found in Note 5 to the financial statements.

Long-Term Debt

At December 31, 2012, the Township had \$4,770,150 of general obligation debt outstanding. This was a decrease of \$766,855 or 14% from the previous year. The following table details the activity related to the general obligation debt outstanding during 2012:

Governmental Activities

Summary of General Obligation Debt at December 31

	<u>2012</u>	<u>2011</u>
General obligation bonds/notes:		
Note, Series of 2001	\$ 1,660,150	\$ 1,577,055
Bonds, Series of 2011	<u>3,110,000</u>	<u>3,960,000</u>
	<u>\$ 4,770,150</u>	<u>\$ 5,537,055</u>

Additional information on the Township's long-term debt can be found in Note 7 of this report.

Township of Whitehall

Management's Discussion and Analysis
December 31, 2012

Economic Factors and Next Year's Budget and Rates**Economic Factors**

Management and the Board of Commissioners were able to recognize a financial benefit from their prior decisions to increase revenues to offset annual expenditure increases. By ensuring that revenue totals ran consistent with expenses, the Township was able to increase its End of Year Fund Balance from \$1.54 million to \$2.83 million. This enabled the Township to keep taxes at the same rate as that of 2012. With the completion of County-wide real estate re-assessment, the Township millage rate was reduced from 8.95 mills to 2.80 mills. Several real estate tax appeals remain pending as of January 1, 2013, involving large commercial and multi-family properties. The affect on the Township's revenues will be slightly, but not significantly, affected by the outcome of these appeals.

2013 Budget

The 2013 budget was adopted by the Township, with total General Fund expenditures equaling \$19,665,023 and revenues equaling \$18,933,646. Overall expenditures increased marginally over the prior year, with the greatest increases found in salaries, health insurance, and garbage collection. The Township committed an additional \$140,000 to be transferred to the Capital Reserve Fund for infrastructure and equipment purchases. There were no major programs or initiatives added.

2013 Rates

As noted above, the Real Estate Tax millage rate was reduced from 8.95 mills to 2.80 mills. This will have essentially a "revenue neutral" affect for tax revenues, since (1) all properties in the Township were re-assessed, and (2) assessment values represented 100% of the appraised values. The prior assessments were based upon 50% of the appraised property values. The Earned Income Tax rate remained at the statutory maximum of 1.00%.

All other tax rates and user fee charges remained at prior year levels.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Township.

Township of Whitehall

Statement of Net Position - Governmental Activities

	December 31, 2012
Assets	
Cash and cash equivalents	\$ 5,297,614
Accounts receivable	962,631
Taxes receivable	799,669
Grants receivable	120,217
Other assets	2,732
Due from other funds	25,686
Capital assets not being depreciated	2,140,177
Capital assets being depreciated, net	13,331,570
Total Assets	\$ 22,680,296
Liabilities	
Accounts payable	\$ 855,351
Accrued salaries and withholdings	226,559
Accrued interest	40,195
Bonds payable, current portion	865,000
Compensated absences payable	144,629
Bonds payable, long-term portion	3,972,172
Total Liabilities	\$ 6,103,906
Contingencies	\$ -
Net Position	
Invested in capital assets, net of related debt	\$ 10,634,575
Restricted	1,131,993
Unrestricted	4,809,822
Total Net Position	\$ 16,576,390

Township of Whitehall

Statement of Activities - Governmental Activities

Functions/Programs	Year Ended December 31, 2012				Governmental Activities Net (Expenses) Revenues and Changes in Net Position
	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General government	\$ 1,240,077	\$ 1,261,999	\$ 28,159	\$ 117,730	\$ 167,811
Public safety	7,444,358	488,383	483,213	291,406	(6,181,356)
Public works	5,475,823	2,558,755	9,354	558,243	(2,349,471)
Culture and recreation	823,257	161,812	11,000	-	(650,445)
Insurance, employee benefits and miscellaneous	2,363,574	-	579,330	-	(1,784,244)
Depreciation - unallocated	1,095,484	-	-	-	(1,095,484)
Interest	198,919	-	-	-	(198,919)
Total Governmental Activities	\$ 18,641,492	\$ 4,470,949	\$ 1,111,056	\$ 967,379	(12,092,108)
General Revenues					
Real estate taxes					6,089,744
Earned income taxes					4,854,119
Business privilege taxes					1,757,570
Real estate transfer tax					291,492
Local services taxes					430,523
Per capita taxes					93,016
Interest income and rents					55,914
Fines and forfeits					175,539
Proceeds from sale of capital assets					51,447
Miscellaneous income					326,239
Total General Revenues					14,125,603
Change in Net Position					2,033,495
Net Position at Beginning of Year, as Previously Reported					14,718,277
Prior Period Adjustments					(175,382)
Net Position at Beginning of Year, as Restated					14,542,895
Net Position at End of Year					\$ 16,576,390

See accompanying notes.

Township of Whitehall

Balance Sheet - Governmental Funds

		December 31, 2012						
<i>Assets</i>	General Fund	State Highway Aid Fund	Traffic Impact Fund	Capital Reserve Fund	Lafarge Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 2,391,303	\$ 145,678	\$ 1,028,408	\$ 28,146	\$ 1,304,570	\$ 18,838	\$ 380,671	\$ 5,297,614
Accounts receivable	877,631	-	-	85,000	-	-	-	962,631
Taxes receivable	799,669	-	-	-	-	-	-	799,669
Grants receivable	120,217	-	-	-	-	-	-	120,217
Other assets	2,732	-	-	-	-	-	-	2,732
Due (to) from other funds	25,686	-	-	-	-	-	-	25,686
Total Assets	\$ 4,217,238	\$ 145,678	\$ 1,028,408	\$ 113,146	\$ 1,304,570	\$ 18,838	\$ 380,671	\$ 7,208,549
<i>Liabilities</i>								
Accounts payable	\$ 518,191	\$ 38,849	\$ 3,244	\$ 101,265	\$ -	\$ -	\$ 8,531	\$ 670,080
Accrued expenses	226,559	-	-	-	-	-	-	226,559
Deferred revenues	454,054	-	-	-	-	-	-	454,054
Returnable deposits	96,130	-	-	-	-	-	-	96,130
Other liabilities	89,141	-	-	-	-	-	-	89,141
Total Liabilities	\$ 1,384,075	\$ 38,849	\$ 3,244	\$ 101,265	\$ -	\$ -	\$ 8,531	\$ 1,535,964
<i>Fund Balances</i>								
Restricted	\$ -	\$ 106,829	\$ 1,025,164	\$ -	\$ -	\$ -	\$ -	\$ 1,131,993
Committed	-	-	-	11,881	-	18,838	239,807	270,526
Assigned	-	-	-	-	1,304,570	-	132,333	1,436,903
Unassigned	2,833,163	-	-	-	-	-	-	2,833,163
Total Fund Balances	\$ 2,833,163	\$ 106,829	\$ 1,025,164	\$ 11,881	\$ 1,304,570	\$ 18,838	\$ 372,140	\$ 5,672,585

See accompanying notes.

Township of Whitehall

Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position

	<u>December 31,</u> <u>2012</u>
Total Fund Balances, Government Funds	\$ 5,672,585
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported as assets in the governmental funds. The cost of the capital assets is \$34,275,759, and the accumulated depreciation is \$18,804,012.	15,471,747
Property taxes receivable will be collected next year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	454,054
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities consist of bonds payable of \$4,770,150, accrued interest of \$40,195, unamortized bond premium of \$67,022 and compensated absences of \$144,629.	<u>(5,021,996)</u>
Total Net Position, Governmental Activities	\$ <u>16,576,390</u>

Township of Whitehall

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

	Year Ended December 31, 2012							Total Governmental Funds
	General Fund	State Highway Aid Fund	Traffic Impact Fund	Capital Reserve Fund	Lafarge Fund	Debt Service Fund	Other Governmental Funds	
Revenues								
Taxes	\$ 13,517,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,517,288
Licenses and permits	575,504	-	-	-	-	-	-	575,504
Fines and forfeits	175,539	-	-	-	-	-	-	175,539
Interest, rents and royalties	47,693	775	2,340	1,021	3,204	50	832	55,915
Intergovernmental revenue	1,090,701	558,243	-	409,136	-	-	5,000	2,063,080
Charges for services	3,780,001	-	-	85,000	-	-	-	3,865,001
Contributions	-	-	9,354	-	-	-	6,000	15,354
Miscellaneous revenue	326,239	-	-	-	-	-	-	326,239
Total Revenues	19,512,965	559,018	11,694	495,157	3,204	50	11,832	20,593,920
Expenditures								
Current:								
General government	1,215,062	-	-	-	-	-	-	1,215,062
Public safety	7,343,202	-	-	79,591	-	-	-	7,422,793
Public works	5,070,125	343,705	10,136	51,006	-	-	990	5,475,962
Culture and recreation	795,162	-	-	10,779	-	-	17,314	823,255
Insurance, employee benefits and other	2,413,574	-	-	-	-	-	-	2,413,574
Debt service:								
Principal	1,010,848	-	-	-	-	850,000	-	1,860,848
Interest	20,642	-	-	-	-	104,968	-	125,610
Capital outlay	38,955	-	-	938,718	-	-	10,825	988,498
Total Expenditures	17,907,570	343,705	10,136	1,080,094	-	954,968	29,129	20,325,602
Excess (Deficiency) of Revenues over (under) Expenditures	1,605,395	215,313	1,558	(584,937)	3,204	(954,918)	(17,297)	268,318

See accompanying notes.

Township of Whitehall

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (continued)

	Year Ended December 31, 2012							
	General Fund	State Highway Aid Fund	Traffic Impact Fund	Capital Reserve Fund	Lafarge Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)								
Transfers in	\$ 3,107	\$ 212,815	\$ -	\$ 362,710	\$ -	\$ 954,968	\$ -	\$ 1,533,600
Transfers out	(1,308,548)	(225,052)	-	-	-	-	-	(1,533,600)
Proceeds from debt issuance	1,010,848	-	-	-	-	-	-	1,010,848
Proceeds from sale of capital assets	-	-	-	51,447	-	-	-	51,447
Total Other Financing Sources (Uses)	(294,593)	(12,237)	-	414,157	-	954,968	-	1,062,295
Net Change in Fund Balances	1,310,802	203,076	1,558	(170,780)	3,204	50	(17,297)	1,330,613
Fund Balances (Deficit), Beginning of Year, as Previously Reported	1,697,743	(96,247)	1,023,606	182,661	1,301,366	18,788	389,437	4,517,354
Prior Period Adjustment	(175,382)	-	-	-	-	-	-	(175,382)
Fund Balances (Deficit), Beginning of Year, as Restated	1,522,361	(96,247)	1,023,606	182,661	1,301,366	18,788	389,437	4,341,972
Fund Balances, End of Year	\$ 2,833,163	\$ 106,829	\$ 1,025,164	\$ 11,881	\$ 1,304,570	\$ 18,838	\$ 372,140	\$ 5,672,585

See accompanying notes.

Township of Whitehall

Reconciliation of the Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

	Year Ended December 31, 2012
Net Change in Fund Balances, Governmental Funds	\$ 1,330,613
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation of \$1,095,484 exceeded capital outlays of \$988,498 in the current year.	(106,986)
Governmental funds report interest paid on bonds payable as expenditures. However, in the statement of activities, interest is matched to the period in which it was incurred. This amount is the net effect of matching interest expense to the proper period.	3,541
Some property taxes will not be collected for several months after year-end. They are not considered as "available" revenues in the governmental funds. Deferred revenues increased by this amount during the year.	29,619
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the current period are:	
Issuance of long-term debt	\$ (1,010,848)
Principal repayments	1,860,848
Accreted interest	(83,145)
Amortization of premium on bond issue	6,294
	<u>773,149</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These expenses include the decrease in compensated absences payable	<u>3,559</u>
Change in Net Position, Governmental Activities	<u>\$ 2,033,495</u>

Township of Whitehall

Statement of Fiduciary Net Position - Fiduciary Funds

	December 31, 2012		
	Pension Trust Fund	Agency Funds	Total
Assets			
Cash and cash equivalents	\$ 1,545,588	\$ 1,856,513	\$ 3,402,101
Investments	18,122,111	-	18,122,111
Total Assets	\$ 19,667,699	\$ 1,856,513	\$ 21,524,212
Liabilities			
Accounts payable	\$ 13,501	\$ 88,842	\$ 102,343
Due to (from) other funds	-	25,686	25,686
Returnable deposits	-	1,741,985	1,741,985
Total Liabilities	\$ 13,501	\$ 1,856,513	\$ 1,870,014
Net Position			
Assets held in trust for pension benefits	\$ 19,654,198	\$ -	\$ 19,654,198
Total Net Position	\$ 19,654,198	\$ -	\$ 19,654,198

Township of Whitehall**Statement of Changes in Fiduciary Net Position - Fiduciary Fund - Pension Trust Fund**

	Year Ended December 31, 2012
Additions	
Contributions:	
Contributions, employer	\$ 884,170
Contributions, employee	<u>200,336</u>
Total Contributions	<u>1,084,506</u>
Investment income:	
Net increase in value of investments	1,578,114
Interest and dividends	<u>402,987</u>
Total Investment Income	<u>1,981,101</u>
Total Additions	<u>3,065,607</u>
Deductions	
Benefit payments	867,565
Administrative expenses	<u>135,578</u>
Total Deductions	<u>1,003,143</u>
Change in Net Position	<u>2,062,464</u>
Net Position, Beginning of Year, as Previously Reported, Assets Held in Trust for Pension Benefits	17,416,352
Prior Period Adjustment	<u>175,382</u>
Net Position, Beginning of Year, as Restated, Assets Held in Trust for Pension Benefits	<u>17,591,734</u>
Net Position, End of Year, as Previously Reported, Assets Held in Trust for Pension Benefits	<u><u>\$ 19,654,198</u></u>

Township of Whitehall

Notes to Financial Statements
December 31, 2012

Note 1 - Nature of Activity

The Township of Whitehall (the Township), Pennsylvania, operates under a Home Rule Charter approved by voter referendum in 1974. The Township has an approximate population of 26,000, based on a 2010 census report, living within an area of 12.8 square miles. The Township is in the southeastern portion of the Commonwealth of Pennsylvania and is located in Lehigh County.

Note 2 - Summary of the Significant Accounting Policies

Except for not recording the retroactive cost of general infrastructure capital assets and related depreciation and not recognizing long-term liability for postemployment benefits, the Township follows the practice of presenting its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The Financial Reporting Entity

The Township is a Pennsylvania First Class Township which operates under a Board of Commissioners-Mayor form of government. Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units, are such that exclusion from the financial reporting entity would render the financial reporting entity's financial statements incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria. There are no agencies or entities which should be presented with the Township.

Basis of Presentation**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the reporting government as a whole. The statements include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Township of Whitehall

Notes to Financial Statements
December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)

Basis of Presentation (continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5% of the corresponding total for all governmental funds combined.

The Township may also report as a major fund any fund it believes to be of particular importance to the financial statement users.

The funds of the financial reporting entity are described below:

Governmental Funds

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use and balance of the Township's expendable financial resources and the related liabilities (except for those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination.

General Fund - is the primary operating fund of the Township and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted, committed or assigned revenues should be the foundation for a special revenue fund. The reporting entity includes the following special revenue funds, which are reported as major funds:

State Highway Aid Fund - is used to account for the proceeds from the State Motor License Fund. Under the Act of June 1, 1956, P.L. 1944, No. 145, this Fund must be kept separate from all other funds and no other funds shall be commingled with this Fund. Expenditures are legally restricted to expenditures for highway purposes in accordance with the Department of Transportation regulations. County liquid fuels tax payments to the local government are not accounted for in this Fund.

Township of Whitehall

Notes to Financial Statements
December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)

Basis of Presentation (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

Special Revenue Funds (continued)

Traffic Impact Fund - is used to account for fees collected by the Township, thus ensuring that new development bears a proportionate share of the cost of capital expenditures necessary to meet the transportation needs of the Township.

The reporting Township includes the following special revenue funds, which are reported as nonmajor funds:

Recreation Escrow Fund - is used to account for money received from developers of residential subdivisions required to be expended for recreation capital improvements.

Perpetual Maintenance Fund - is used to account for fees collected by the Township for future maintenance of dedicated development property.

Capital Projects Funds - are used to account for and report financial resources that are restricted, committed or assigned expenditures for capital outlays, including the acquisition or construction of major capital improvements. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments. The reporting Township includes the following capital projects funds, which are reported as major funds:

Capital Reserve Fund - is used to account for resources to be used to construct or acquire capital assets from resources derived from budgetary transfers, investment earnings and the sale of fixed assets.

Lafarge Fund - is used to account for funds received from a settlement for relocation of a road. The funds are used to purchase equipment.

The reporting Township includes the following capital projects funds, which are reported as nonmajor funds:

Capital Reserve Lighting Fund - is used to account for financial resources to be used for the upkeep and installation of new street lights.

Township of Whitehall

Notes to Financial Statements

December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)**Basis of Presentation (continued)****Fund Financial Statements (continued)****Governmental Funds (continued)**

Debt Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest (debt service) resources. This fund includes financial resources that are being accumulated for principal and interest maturing in future years and also includes financial resources that are legally mandated to be accounted for and reported in a debt service fund. The reporting entity includes the following debt service fund, which is reported as a major fund:

Debt Service Fund - is used for the payment of debt related to the Township's General Obligation Bonds and Notes.

Fiduciary Fund Types

The Township also reports the following fund types:

Pension Trust Fund - is used to account for assets held for the Township's police pension plan, which is funded by employer and employee contributions. This Fund accounts for fiduciary resources legally held in trust for the receipt and distribution of retirement benefits.

Agency Funds - are used to account for assets held in trust for the benefit of others, with the Township having no equity or ownership in the assets. The reporting entity includes the following agency funds:

Developers Escrow Fund - is used to record receipt of developer escrow deposits to be used as expense reimbursement for legal and engineering fees.

Firemen's Length of Service Award Fund - is used to record receipt of money appropriated from the General Fund for volunteer firemen's length of service awards.

Flex 125 Plan and Worker's Compensation Funds - are used to record receipt of money appropriated for nonrisk associated worker's compensation claims and insurance premiums and employee benefits.

Treasurer's Accounts Fund - is used for the collection of various taxes from residents and employers in the Township and disbursement to the Township and to local governments.

Township of Whitehall**Notes to Financial Statements**December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)**Measurement Focus and Basis of Accounting**

The basic financial statements of the Township are comprised of the following:

- Government-wide financial statements.
- Fund financial statements.
- Notes to financial statements.
- Required supplementary information.

Government-Wide Financial Statements

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) fees, fines and charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities of the government-wide financial statements.

Township of Whitehall

Notes to Financial Statements

December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)**Measurement Focus and Basis of Accounting (continued)****Fund Financial Statements (continued)**

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred except for unmatured interest on long-term debt, claims, judgments and pension expenditures which are recorded as a fund liability when expected to be paid with expendable available financial resources.

In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one type, funds must be expended for the specific purpose or project before any amounts will be paid to the Township; therefore, revenues are recognized based upon the expenditures incurred. In the other type, funds are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reported as revenues at the time of receipt, or earlier, if the susceptible-to-accrual criteria are met.

Licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment income is recognized as earned.

The Township reports deferred revenue in the form of returnable deposits on its balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the Township has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the Township has a legal claim to the resources, the liability for deferred revenues is removed from the balance sheet and revenue is recognized.

The Township's Fiduciary Funds are presented in the fund financial statements by type (pension and agency). Since, by definition, these assets are being held for the benefit of a third party (other local governments, litigants, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into government-wide statements.

Township of Whitehall

Notes to Financial Statements

December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)**Assets and Liabilities****Investments**

The Board of Commissioners is authorized by statutes to invest its funds as defined in the Township Code. Authorized types of investments include the following:

- a. U. S. Treasury Bills.
- b. Short-term obligations of the U. S. Government or its agencies or instrumentalities.
- c. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions.
- d. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision.
- e. Shares of mutual funds whose investments are restricted to the above categories.

Investments are carried at fair value.

Investments of pension trust funds are pursuant to the guidelines established by the Police Pension Board.

Accounts Receivable

Accounts receivable are shown net of allowances for uncollectible amounts.

Due To and From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair value on the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend its useful life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the financial statements.

Township of Whitehall

Notes to Financial Statements

December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)**Assets and Liabilities (continued)****Capital Assets (continued)**

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	31-½ to 39 years
Machinery and equipment	5 years
Traffic signals	7 years
Infrastructure	15 years

GASB Statement No. 34 requires the Township to report and depreciate new infrastructure assets effective beginning 2003. Infrastructure assets include roads, bridges, traffic signals, etc. Except for traffic signals, neither the historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure was subject to an extended implementation period and was first effective for fiscal years ending 2007. Management has not recorded the retroactive reporting of general infrastructure assets and the depreciation on those assets.

Bond Premiums and Discounts

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Returnable Deposits

The Township requires deposits from developers for site development. Unexpended deposits are returned to developers.

Deferred Revenues

Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts are measurable, but are not available. Deferred revenue may also result from revenues being collected in advance of the fiscal year to which they apply or in advance of their legal due date.

Township of Whitehall**Notes to Financial Statements**

December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)**Assets and Liabilities (continued)****Long-Term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bonds and notes payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Compensated Absences

The Township accrues accumulated compensation and sick pay benefits when earned, or estimated to be earned, by the employee. Accrued vacation must be used during the calendar year without carryover to future years, except with advance approval of the Township Executive.

Equity**Government-Wide Statements**

Net position is classified into the following three components:

Invested in capital assets, net of related debt - This component of net position consists of the cost of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets.

Restricted - This component of net position consists of constraints placed on net position use either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the Township's policy to first use restricted net position prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both reserved and unreserved fund balances are available.

Township of Whitehall

Notes to Financial Statements

December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)**Equity (continued)****Governmental Fund Financial Statements**

Fund balances are classified into specifically designed classifications as follows:

Nonspendable - This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.

Restricted - This classification consists of amounts that are restricted to specific purposes either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. The restriction is binding unless removed with the consent of the resource provider.

Committed - This classification consists of amounts used for specific purposes imposed by formal action of the Township's highest level of decision-making authority. The commitment is binding unless removed in the same manner imposed. Formal action must occur prior to fiscal year-end; however, the amount may be determined subsequent to year-end.

Assigned - This classification consists of amounts constrained by the Township's intent to be used for specific purposes that are neither restricted nor committed.

Unassigned - This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance.

Revenues and Expenditures**Program Revenues**

All revenues are recognized when received.

In the statement of activities, revenues that are derived directly from each activity or from parties outside the Township's taxpayers are program revenues. Amounts reported as program revenues include (1) charges to customers or applicants for goods and services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Township of Whitehall**Notes to Financial Statements**

December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)**Revenues and Expenditures (continued)****Intergovernmental Revenues**

Intergovernmental revenues are received from the Commonwealth of Pennsylvania, federal agencies and local governmental units, generally to fund specific programs, and are recognized when received.

Property Taxes

The Township is permitted by its Home Rule Charter to levy real estate taxes up to 20 mills of assessed valuation for general purposes. The millage rate levied by the Township for 2012 was 8.95 mills as established by the Board of Commissioners. Current tax collections for the Township were approximately 99% of the total tax levy.

The Township's real estate taxes are based on assessed value established by the County's Board of Assessments. The real estate taxes are collected by an elected tax collector. Real estate taxes attach an enforceable lien on property when levied on March 1. A discount of 2% is applied to payments made prior to April 30. A penalty of 10% is added to the face amount of taxes paid after July 1.

In the government-wide financial statements, taxes receivable and related revenue include all amounts due to the Township regardless of when the cash is received. Over time, substantially all property taxes are collected.

In the fund financial statements, delinquent property taxes not paid within 60 days of December 31 are recorded as a deferred inflow of resources.

Internal and Interfund Balances and Activities**Fund Financial Statements**

Interfund activity, if any, within and among the governmental fund category, is reported as follows in the fund financial statements:

Interfund Services

Sales or purchases of goods and services between funds are reported as revenues and expenditures.

Interfund Reimbursements

Repayments from funds responsible for certain expenditures to the funds that initially paid for them are not reported as reimbursements, but as adjustments to expenditures in the respective funds.

Township of Whitehall

Notes to Financial Statements
December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)**Internal and Interfund Balances and Activities (continued)****Fund Financial Statements (continued)****Interfund Transfers**

Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In June 2011, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The objective of this Statement is to have financial reporting entity financial statements be more relevant by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. This Statement is effective for periods beginning after June 15, 2012; however, the Township early adopted this Statement in its December 31, 2012 financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The objective of this Statement is to provide guidance for reporting of deferred inflows and outflows of resources which are distinctly different from assets and liabilities. As a result of reporting these additional elements, the residual balances will be considered as net position, rather than net assets. The Township adopted this Statement in its December 31, 2012 financial statements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this Statement is to reclassify certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, this Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. This Statement is effective for periods beginning after December 15, 2012; however, the Township early adopted this Statement in its December 31, 2012 financial statements.

Township of Whitehall
Notes to Financial Statements
December 31, 2012

Note 2 - Summary of the Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

The following standards will be effective in the future for the Township:

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as certain requirements of Statement No. 50, *Pension Disclosures*. GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. This Statement also established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. In addition, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2014.

Note 3 - Stewardship, Compliance and Accountability

Compliance with Finance-Related Legal and Contractual Provisions

The Township had no material violations of finance-related legal and contractual provisions.

Excess of Expenditures over Appropriations in Individual Funds

No individual fund, which was budgeted as required by the Commonwealth of Pennsylvania, contained an excess of expenditures over appropriations that was not covered by the cash balance at December 31, 2012 and the cash received for the year ended December 31, 2012. Expenditures exceeded appropriations in the following funds:

General Fund	\$ 317,604
State Highway Aid Fund	54,705

Note 4 - Deposits and Investments

The Township's available cash is invested in demand deposit accounts. Pension fund assets are invested in cash and common stock. The carrying amounts of cash and investments at December 31, 2012 consist of the following:

Cash deposits	\$ 8,699,545
Investments	18,122,111
Petty cash	170
	<hr/>
	\$ 26,821,826

Township of Whitehall

Notes to Financial Statements
December 31, 2012

Note 4 - Deposits and Investments (continued)

Reconciliation to Statement of Net Position/Balance Sheet

Cash:	
Governmental activities	\$ 5,297,614
Fiduciary funds	<u>3,402,101</u>
	8,699,715
Investments, fiduciary	<u>18,122,111</u>
	<u>\$ 26,821,826</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the Township's deposits may not be returned. At December 31, 2012, the carrying amounts of the Township's bank deposits were \$8,699,545, and the corresponding bank balances were \$9,229,552, of which \$510,000 was covered by Federal Depository Insurance. Deposits totaling \$8,719,552 were exposed to custodial risk because they were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

Investments

As of December 31, 2012, the Township's pension fund has the following investments:

	Cost	Fair Value	Maturity - Less Than One Year	Maturity - One-to-Five Years	Maturity - Six-to-Ten Years
Money market funds	\$ 454,347	\$ 454,347	\$ 454,347	\$ -	\$ -
Equities	12,247,658	14,118,551	14,118,551	-	-
Mutual funds	3,557,413	3,549,213	3,549,213	-	-
	<u>\$ 16,259,418</u>	<u>\$ 18,122,111</u>	<u>\$ 18,122,111</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

The Township limits the type of investments permitted as defined in the Township Code. Permitted investments are defined in Note 2. When making investments, the Township can combine monies from more than one fund under the Township's control for the purchase of a single investment and join with other political subdivisions in the purchase of a single investment.

Interest Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Township of Whitehall

Notes to Financial Statements
December 31, 2012

Note 4 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2012, \$18,122,111 is held by the investment's counterparties, not in the name of the Township.

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,095,064	\$ -	\$ -	\$ 2,095,064
Construction in progress	800,962	12,374	768,223	45,113
Total capital assets not being depreciated	2,896,026	12,374	768,223	2,140,177
Capital assets being depreciated:				
Buildings and improvements	14,218,602	-	-	14,218,602
Machinery and equipment	7,315,687	412,235	76,290	7,651,632
Traffic signals	2,948,310	-	-	2,948,310
Infrastructure	5,984,926	1,332,112	-	7,317,038
Total capital assets being depreciated	30,467,525	1,744,347	76,290	32,135,582

Township of Whitehall

Notes to Financial Statements
December 31, 2012

Note 5 - Capital Assets (continued)

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Less accumulated depreciation for:				
Buildings and improvements	\$ 8,116,615	\$ 315,772	\$ -	\$ 8,432,387
Machinery and equipment	6,665,830	261,265	76,290	6,850,805
Traffic signals	1,792,202	130,079	-	1,922,281
Infrastructure	1,210,171	388,368	-	1,598,539
Total accumulated depreciation	17,784,818	1,095,484	76,290	18,804,012
Total capital assets being depreciated, net	12,682,707	648,863	-	13,331,570
Total governmental activities capital assets, net	\$ 15,578,733	\$ 661,237	\$ 768,223	\$ 15,471,747

Depreciation expense charged to governmental activities was \$1,095,484 for the year ended December 31, 2012.

Note 6 - Interfund Transfers and Balances

Transfers between funds for the year ended December 31, 2012 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 3,107	\$ 1,308,548
State Highway Aid Fund	212,815	225,052
Capital Reserve Fund	362,710	-
Debt Service Fund	954,968	-
	\$ 1,533,600	\$ 1,533,600

The composition of interfund balances as of December 31, 2012 is as follows:

	Due To Other Funds	Due From Other Funds
General Fund	\$ -	\$ 25,686
Pension Trust Fund	25,686	-
	\$ 25,686	\$ 25,686

Township of WhitehallNotes to Financial Statements
December 31, 2012**Note 7 - Long-Term Debt**

At December 31, 2012, long-term debt consisted of the following:

	Balance Outstanding January 1, 2012	Additions	Deletions	Balance Outstanding December 31, 2012
General Obligation Note, Series of 2001, original amount \$5,160,289 (\$4,215,000 Current Interest Notes and \$954,289 Capital Appreciation Notes), due in semiannual installments of principal plus interest ranging from 3.00% to 5.31% through 2017	\$ 1,577,005	\$ 83,145	\$ -	\$ 1,660,150
General Obligation Bonds, Series of 2011, original amount \$4,295,000, due in semiannual installments of principal plus interest ranging from 1.00% to 3.850% through 2025	<u>3,960,000</u>	<u>-</u>	<u>850,000</u>	<u>3,110,000</u>
	<u>\$ 5,537,005</u>	<u>\$ 83,145</u>	<u>\$ 850,000</u>	<u>\$ 4,770,150</u>

Aggregate maturities required on long-term debt at December 31, 2012 are as follows:

	Principal	Interest	Total Debt Service
2013	\$ 865,000	\$ 96,468	\$ 961,468
2014	900,000	70,518	970,518
2015	925,000	49,518	974,518
2016	930,000	45,918	975,918
2017	245,000	43,418	288,418
2018-2022	695,000	161,563	856,563
2023-2025	<u>480,000</u>	<u>36,957</u>	<u>516,957</u>
	5,040,000	<u>\$ 504,360</u>	<u>\$ 5,544,360</u>
Unaccreted principal	<u>(269,850)</u>		
	4,770,150		
Unamortized premium	67,022		
Less current maturities	<u>(865,000)</u>		
	<u>\$ 3,972,172</u>		

Township of Whitehall**Notes to Financial Statements
December 31, 2012****Note 7 - Long-Term Debt (continued)**

Changes in long-term liabilities for the year ended December 31, 2012 are as follows:

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012	Current Portion
General obligation debt:					
Note, Series of 2001	\$ 1,577,005	\$ 83,145	\$ -	\$ 1,660,150	\$ -
Note, Series of 2011	3,960,000	-	850,000	3,110,000	865,000
	5,537,005	83,145	850,000	4,770,150	865,000
Compensated absences	148,188	-	3,559	144,629	-
Total long-term liabilities	<u>\$ 5,685,193</u>	<u>\$ 83,145</u>	<u>\$ 853,559</u>	<u>\$ 4,914,779</u>	<u>\$ 865,000</u>

Compensated absences have been liquidated in the General Fund in prior years.

Note 8 - Short-Term Debt

During 2012, the Township issued a Tax and Revenue Anticipation Note in the amount of \$1,010,848. The Note was paid in full at December 31, 2012.

Note 9 - Fund Balance

Fund balances of the Township's governmental funds at December 31, 2012 consist of the following:

	Restricted	Committed	Assigned	Unassigned	Total Fund Balance
Reported in:					
General Fund	\$ -	\$ -	\$ -	\$ 2,833,163	\$ 2,833,163
State Highway Aid Fund, highways and streets	106,829	-	-	-	106,829
Traffic Impact Fund, transportation needs	1,025,164	-	-	-	1,025,164
Capital Reserve Fund, capital improvements	-	11,881	-	-	11,881
Lafarge Fund, capital expenditures	-	-	1,304,570	-	1,304,570
Debt Service Fund, debt service	-	18,838	-	-	18,838

Township of Whitehall

Notes to Financial Statements

December 31, 2012

Note 9 - Fund Balance (continued)

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total Fund Balance</u>
Other governmental funds:					
Maintenance of dedicated property	\$ -	\$ -	\$ 132,333	\$ -	\$ 132,333
Recreational services	-	239,807	-	-	239,807
	-	239,807	132,333	-	372,140
	<u>\$ 1,131,993</u>	<u>\$ 270,526</u>	<u>\$ 1,436,903</u>	<u>\$ 2,833,163</u>	<u>\$ 5,672,585</u>

Fund Balance Policy

The Township establishes fund balance in the Township's General Fund and all governmental funds. Fund balance is composed of nonspendable, restricted, committed, assigned and unassigned amounts.

Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing programs or enhance the financial position of the Township in accordance with policies established by the Board of Commissioners.

Spending Policy

The Township's policy is to first use restricted fund balance when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The Township's policy is to use unrestricted fund balance in the following order, committed, assigned and unassigned, when expenditure is incurred for purposes for which each of these fund balance classifications is available.

Minimum Fund Balance Policy

The Township has not formally adopted a minimum fund balance policy.

Committed Fund Balance

The Board of Commissioners is the Township's highest level of decision making authority. The Township has not formally adopted a policy as to the formal action that is required to be taken to establish, modify or rescind a fund balance commitment.

Assigned Fund Balance

The Township has not formally adopted a policy regarding the body or official authorized to assign amounts to a specific purpose and the policy established by the governing body pursuant to which that authorization is given.

Township of Whitehall

Notes to Financial Statements

December 31, 2012

Note 9 - Fund Balance (continued)**Reservations of Fund Balance****Restricted - State Highway Aid Fund**

The Township hereby establishes the following restricted fund balance reserve in the State Highway Aid Fund:

Highways and Streets Reserve - the Township's restricted fund balance in the State Highway Aid Fund consists of proceeds from the State Motor License Fund accounted for in the State Liquid Fuels Highway Aid Fund. Expenditure of these funds is legally restricted to expenditures for highway purposes in accordance with Department of Transportation regulations.

Restricted - Traffic Impact Fund

The Township hereby establishes the following restricted fund balance reserve in the Traffic Impact Fund:

Traffic Impact Reserve - is restricted by the Township Board of Commissioners, as set forth by Township Ordinance and Pennsylvania Act 209, to provide funds for expenditures necessary to meet specific transportation needs of the Township.

Committed - Capital Reserve Fund

The Township hereby establishes the following committed fund balance reserve in the Capital Reserve Fund:

Capital Improvements Reserve - is committed by the Board of Commissioners as set forth in the annual budget and any amendments thereto to provide funds for capital improvements.

Committed - Debt Service Fund

The Township hereby establishes the following committed fund balance reserve in the Debt Service Fund:

Debt Service Reserve - is committed by the Board of Commissioners as set forth in the annual budget and any amendments thereto to provide funds for the repayment of principal and interest.

Committed - Other Governmental Funds

The Township hereby establishes the following committed fund balance reserves in the Other Governmental Funds:

Recreation - is committed by the Township Board of Commissioners, as set forth by Township Ordinance, to provide recreational services to residents.

Township of Whitehall

Notes to Financial Statements
December 31, 2012

Note 9 - Fund Balance (continued)**Reservations of Fund Balance (continued)****Assigned - Lafarge Fund**

The Township hereby establishes the following assigned fund balance reserve in the Lafarge Fund:

Capital Expenditure Reserve - is assigned by the Township Board of Commissioners to provide funds for capital expenditure purposes.

Assigned - Other Governmental Funds

The Township hereby establishes the following assigned fund balance reserve in the Other Governmental Funds:

Perpetual Maintenance Reserve - is assigned by the Township Board of Commissioners to provide funds for the future maintenance of property dedicated to the Township.

Disbursement of Fund Balance Reserves

No formal policy has been adopted by the Township regarding disbursement of funds within the fund balance reserves; however, disbursement is approved by the Board of Commissioners by inclusion in the approved annual budget and amendments thereto.

Annual Review and Determination of Fund Balance Reserve Amounts

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process and the amounts of nonspendable, restricted, committed, assigned and the minimum level of unassigned fund balance shall be determined during this process.

Note 10 - Pension Plans

The Township maintains two single-employer defined benefit pension plans. The assets of the plans are invested separately and each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

Valuation of Investments

All investments of the pension plans are reported at fair value based on quoted market values. Investments that do not have an established market value are reported at estimated fair value. Insurance holdings, if any, are valued at reported contract values.

Township of Whitehall

Notes to Financial Statements

December 31, 2012

Note 10 - Pension Plans**Plan Descriptions and Contribution Information****Whitehall Township Police Pension Plan****Plan Description**

The Whitehall Township Police Pension Plan (the Police Plan) is a single-employer defined benefit pension plan that covers all full-time uniform employees of the police force. The retirement benefit is equal to 50% of the participant's average monthly compensation based upon the last 36 months of employment, plus a service increment of \$100 per month for each completed year of benefit service in excess of 25. The normal retirement date is age 50 with 25 years of credited service, and participants become 100% vested upon completion of 12 years of service. The Police Plan also provides death and disability benefits. The authority for benefit provisions under the Police Plan rests with the Township's Board of Commissioners. The Police Plan does not issue stand-alone financial statements.

Contributions

The Township and participants are required to contribute amounts necessary to fund the Police Plan using the actuarial basis specified by the Township. For the year ended December 31, 2012, the required member contribution was 5% of annual compensation.

Whitehall Township Nonuniformed Pension Plan**Plan Description**

The Whitehall Township Nonuniformed Pension Plan (the Nonuniformed Plan) is a single-employer defined benefit pension plan administered by the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office. The Nonuniformed Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living allowances are provided at the discretion of the Nonuniformed Plan.

Contributions

Act 205 requires that annual contributions be based upon the Nonuniformed Plans' Minimum Municipal Obligation (MMO). The MMO is based upon the Nonuniformed Plan's biennial actuarial valuation. In accordance with the Nonuniformed Plan's governing resolution, members are required to contribute 1.50% to the Nonuniformed Plan. The Nonuniformed Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the Township in accordance with Act 205.

Township of Whitehall

 Notes to Financial Statements
 December 31, 2012

Note 10 - Pension Plans (continued)
Annual Pension Cost and Net Pension Obligation

The Township's annual pension cost and net pension obligation to the pension plans for the year ended December 31, 2012 are as follows:

	Police Plan	Nonuniformed Plan
Annual required contribution	\$ 884,170	\$ 287,549
Interest on net pension obligation	-	-
Adjustment to annual required contribution	-	-
Annual pension cost	884,170	287,549
Contributions made	(884,170)	(287,549)
Increase in net pension obligation	-	-
Net pension obligation at beginning of year	-	-
Net pension obligation at end of year	\$ -	\$ -

Actuarial assumptions and other information used to determine the annual required contribution are located in the required supplementary information section of the report.

Three-Year Trend Information

Police Plan			
Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 448,020	100%	\$ -
12/31/11	894,656	100%	-
12/31/12	884,170	100%	-
Nonuniformed Plan			
Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 224,903	100%	\$ -
12/31/11	288,200	100%	-
12/31/12	287,549	100%	-

Township of Whitehall

Notes to Financial Statements

December 31, 2012

Note 10 - Pension Plans (continued)

Funded Status and Funding Progress

The funded status of the Township's Police Pension Plan as of January 1, 2011, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 17,916,129	\$ 21,805,219	\$ 3,889,090	82.2%	\$ 3,912,251	99.4%

The funded status of the Township's Nonuniformed Pension Plan as of January 1, 2011, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Overfunded AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	OAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 16,469,966	\$ 16,432,293	\$ (37,673)	100.2%	\$ 3,737,525	(1.0)%

The Schedules of Funding Progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The information about the funded status is prepared using the entry age normal actuarial cost method.

Plan Membership

Membership in the pension plans is comprised of the following:

	Police Plan	Nonuniformed Plan
	January 1, 2011	December 31, 2012
Date determined		
Active employees	46	68
Retirees and beneficiaries currently receiving benefits	28	31
Terminated employees entitled to benefits, but not yet receiving benefits	1	2
	<u>75</u>	<u>101</u>

Township of Whitehall**Notes to Financial Statements**December 31, 2012

Note 11 - Deferred Compensation

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to those employees who meet the eligibility requirements set forth in the plan, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability or unforeseeable emergency.

The Township has no liability for losses under the plan arising from expense charges of any kind, or from depreciation or shrinkage in the value of assets of the plan, but does have the duty of due care that would be required of an ordinary prudent investor.

Note 12 - Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Township purchases commercial insurance as protection against those losses.

Note 13 - Restatement

Effective January 1, 2012, the Township adopted the provisions of the GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement provided financial reporting guidance for deferred outflows of resources and deferred inflows of resources and changed the terminology and format of the financial statements.

Effective January 1, 2012, the Township adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement requires debt issuance costs to be expensed in the year incurred. Previous guidance required debt issuance costs to be amortized over the life of the related debt. The December 31, 2011 entity-wide financial statements have been restated to reflect these changes. The effect on the December 31, 2011 financial statements was to decrease assets, unamortized bond issue costs \$74,749, increase expenses for bond issue costs \$78,018, decrease amortization \$3,269 and decrease net position, unrestricted \$74,749.

Note 14 - Prior Period Adjustments

The December 31, 2011 net position of the General Fund was decreased and the 2011 net position of the Pension Trust Fund was increased by \$175,382 to correct a due to/from that was recorded in prior years in error.

Township of Whitehall

Notes to Financial Statements
December 31, 2012

Note 15 - Contingencies**Litigation**

The Township is a defendant in several lawsuits that have been referred to the Township's insurance carrier. While it is not feasible to determine the outcome of these matters, in the opinion of management, any total ultimate liability would not have a material effect on the Township's financial position.

Concentration of Labor

The Township entered into a collective bargaining agreement with the Whitehall Township Police Bargaining Unit Association through December 31, 2013. Of the Township's total workforce, approximately 39% is covered by the agreement.

The Township entered into a collective bargaining agreement with the Whitehall Township Teamsters Local Unit #773 through December 31, 2015. Of the Township's total workforce, approximately 44% is covered by the agreement.

Note 16 - Subsequent Events

The Township has evaluated subsequent events through July 2, 2013. This date is the date the financial statements were available to be issued.

Township of Whitehall

Budgetary Comparison Schedule - General Fund

	Year Ended December 31, 2012			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	\$ 13,183,339	\$ 13,183,339	\$ 13,517,288	\$ 333,949
Licenses and permits	569,800	569,800	575,504	5,704
Fines and forfeits	145,000	145,000	175,539	30,539
Interest, rents and royalties	45,000	45,000	47,693	2,693
Intergovernmental revenue	913,000	913,000	1,090,701	177,701
Charges for services	3,480,977	3,480,977	3,780,001	299,024
Miscellaneous revenue	32,000	32,000	326,239	294,239
Total Revenues	18,369,116	18,369,116	19,512,965	1,143,849
Expenditures				
Current:				
General government	1,323,477	1,323,477	1,215,062	108,415
Public safety	6,062,366	6,062,366	7,343,202	(1,280,836)
Public works	5,260,401	5,260,401	5,070,125	190,276
Culture and recreation	1,033,032	1,033,032	795,162	237,870
Insurance, employee benefits and other	3,810,690	3,810,690	2,413,574	1,397,116
Debt service	100,000	100,000	1,031,490	(931,490)
Capital outlay	-	-	38,955	(38,955)
Total Expenditures	17,589,966	17,589,966	17,907,570	(317,604)
Excess of Revenues over Expenditures	779,150	779,150	1,605,395	826,245
Other Financing Sources (Uses)				
Transfers in	-	-	3,107	3,107
Transfers out	(1,345,000)	(1,345,000)	(1,308,548)	36,452
Proceeds from debt issuance	-	-	1,010,848	1,010,848
Total other Financing Sources (Uses)	(1,345,000)	(1,345,000)	(294,593)	1,050,407
Net Change in Fund Balances	\$ (565,850)	\$ (565,850)	1,310,802	\$ 1,876,652
Fund Balance, Beginning of Year, as Previously Reported			1,697,743	
Prior Period Adjustment			(175,382)	
Fund Balance, Beginning of Year, as Restated			1,522,361	
Fund Balance, End of Year			\$ 2,833,163	

Township of Whitehall

Budgetary Comparison Schedule - State Highway Aid Fund

	Year Ended December 31, 2012			
	Budgeted Amounts Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Interest, rents and royalties	\$ 1,500	\$ 1,500	\$ 775	\$ (725)
Intergovernmental revenue	502,555	502,555	558,243	55,688
Total Revenues	504,055	504,055	559,018	54,963
Expenditures				
Current, public works	289,000	289,000	343,705	(54,705)
Total Expenditures	289,000	289,000	343,705	(54,705)
Excess of Revenues over Expenditures	215,055	215,055	215,313	258
Other Financing Sources (Uses)				
Transfers In	-	-	212,815	212,815
Transfers Out	(215,000)	(215,000)	(225,052)	(10,052)
Total Other Financing Sources (Uses)	(215,000)	(215,000)	(12,237)	202,763
Net Change in Fund Balance	\$ 55	\$ 55	203,076	\$ 203,021
Fund Balance, Beginning of Year			(96,247)	
Fund Balance, End of Year			\$ 106,829	

Township of Whitehall

Notes to Budgetary Comparison Schedules
December 31, 2012

Note 1 - Budget Matters

The Board of Commissioners annually adopts the budgets for all Funds.

Budgetary control is legally maintained at the line-item level.

Budgets are prepared at the department level. Departments for budgetary purposes include general government, public safety, public works - highways and streets, and culture and recreation.

The Township Home Rule Charter provides for the modification of budgets and supplemental appropriations and transfers. All changes to the budgets must be approved by the Board of Commissioners.

Appropriations, except open project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.

The budgets are prepared on the modified accrual basis of accounting.

There were no supplemental appropriations to the 2012 budgets.

Township of Whitehall

Required Supplementary Information - Schedules of Funding Progress

Defined Benefit Pension Plans

Year Ended December 31, 2012

Whitehall Township Police Pension Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>(Overfunded) Unfunded AAL (OAAL)/(UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>OAAL/UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
January 1, 2007	\$ 17,800,321	\$ 16,906,125	\$ (894,196)	105.3 %	\$ 3,437,041	(26.0) %
January 1, 2009	15,229,973	19,246,691	4,016,718	79.1	3,687,191	108.9
January 1, 2011	17,916,129	21,805,219	3,889,090	82.2	3,912,251	99.4

Whitehall Township Nonuniformed Pension Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Overfunded AAL (OAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>OAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
January 1, 2007	\$ 13,163,681	\$ 12,573,552	\$ (590,129)	104.7 %	\$ 3,592,203	(16.4) %
January 1, 2009	14,891,695	14,539,394	(352,301)	102.4	3,628,506	(9.7)
January 1, 2011	16,469,966	16,432,293	(37,673)	100.2	3,737,525	(1.0)

Township of Whitehall

Required Supplementary Information - Schedules of Employer Contributions

Defined Benefit Pension Plans

Year Ended December 31, 2012

Whitehall Township Police Pension Plan

<u>Year</u>	<u>Annual Required Contribution</u>	<u>Contributions from Employer</u>	<u>Percentage Contributed</u>
2003	\$ -	\$ -	- %
2004	-	265,978	100.0
2005	380,644	380,644	100.0
2006	331,405	331,405	100.0
2007	360,715	360,715	100.0
2008	398,359	398,359	100.0
2009	410,887	410,887	100.0
2010	448,020	448,020	100.0
2011	894,656	894,656	100.0
2012	884,170	884,170	100.0

Whitehall Township Nonuniformed Pension Plan

<u>Year</u>	<u>Annual Required Contribution</u>	<u>Contributions from Employer</u>	<u>Percentage Contributed</u>
2003	\$ -	\$ -	- %
2004	69,090	69,090	100.0
2005	76,747	76,747	100.0
2006	85,338	85,338	100.0
2007	224,387	224,387	100.0
2008	235,047	235,047	100.0
2009	213,990	213,990	100.0
2010	224,903	224,903	100.0
2011	288,200	288,200	100.0
2012	287,549	287,549	100.0

Township of Whitehall

Note to Required Supplementary Information - Defined Benefit Pension Plans
Year Ended December 31, 2012

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>Police Pension Plan</u>	<u>Nonuniformed Employees' Pension Plan</u>
Actuarial valuation date	1/1/2011	1/1/2011
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	12 years	14.33 years
Asset valuation method	Five-year smoothed	Fair value
Actuarial assumptions:		
Investment rate of return	8.00%	6.00%
Projected salary increases	5.00%	5.20%
Postretirement benefit increases	4% cost of living	None

Township of Whitehall

Combining Balance Sheet - Nonmajor Governmental Funds

	December 31, 2012			
	Recreation Escrow	Perpetual Maintenance	Capital Reserve Lighting	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 248,338	\$ 132,333	\$ -	\$ 380,671
Total Assets	\$ 248,338	\$ 132,333	\$ -	\$ 380,671
Liabilities				
Accounts payable	\$ 8,531	\$ -	\$ -	\$ 8,531
Total Liabilities	\$ 8,531	\$ -	\$ -	\$ 8,531
Fund Balances				
Committed	\$ 239,807	\$ -	\$ -	\$ 239,807
Assigned	-	132,333	-	132,333
Total Fund Balances	\$ 239,807	\$ 132,333	\$ -	\$ 372,140

Township of Whitehall
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds**

	Year Ended December 31, 2012			
	Recreation Escrow	Perpetual Maintenance	Capital Reserve Lighting	Total Nonmajor Governmental Funds
Revenues				
Interest, rents and royalties	\$ 569	\$ 263	\$ -	\$ 832
Intergovernmental revenue	5,000	-	-	5,000
Contributions	6,000	-	-	6,000
Total Revenues	11,569	263	-	11,832
Expenditures				
Current:				
Public works	-	139	851	990
Culture and recreation	17,314	-	-	17,314
Capital outlay	10,825	-	-	10,825
Total Expenditures	28,139	139	851	29,129
Net Change in Fund Balances	(16,570)	124	(851)	(17,297)
Fund Balances, Beginning of Year	256,377	132,209	851	389,437
Fund Balances, End of Year	\$ 239,807	\$ 132,333	\$ -	\$ 372,140

In accordance with your request, we are transmitting the **preliminary draft** of your **Financial Report**.

Please be aware that the electronic transmission is not entirely secure and it is possible for confidential information to be intercepted by others.

The preliminary drafts are for review and discussion purposes only and are, therefore, subject to change. We ask that you destroy any copies you print when you have finished with them and that you delete the drafts from your computers.

If you have any questions, please contact Becky Clouser.

**Whitehall Township,
Lehigh County, Pennsylvania**

**Financial Statements and
Supplementary Information**

December 31, 2013

Whitehall Township

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December 31, 2013

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Independent Auditor's Report

To the Board of Commissioners
Whitehall Township
Lehigh County, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Whitehall Township (the Township), Lehigh County, Pennsylvania, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on Entity-Wide Statements

As discussed in Note 2 to the financial statements, the Township has not recorded the retroactive cost of general infrastructure capital assets and has not recorded depreciation expense on those assets. GASB No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, required the retroactive recognition of general infrastructure capital assets on the date of implementation and subsequent depreciation of those assets. The amount by which this departure affects the assets, liabilities, net position and changes in net position is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on Entity-Wide Statements paragraph, the Entity-Wide financial statements referred to above do not present fairly the financial position of the governmental activities of the Township as of December 31, 2013, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the fund financial statements present fairly, in all material respects, the respective financial position of Whitehall Township as of December 31, 2013 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information on Pages 4 to 10 and Pages 47 to 52, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Whitehall Township's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other

As further described in Note 14, during the year ended December 31, 2013, the Township adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

, 2014
Wyomissing, Pennsylvania

Whitehall Township

Management's Discussion and Analysis

December 31, 2013

Our discussion and analysis of Whitehall Township's (the Township) financial performance provides an overview of the Township's financial activities for the year ended December 31, 2013. Please read it in conjunction with the Township's financial statements that begin on Page 11.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$15,778,435. Of this amount, \$3,356,341 is unrestricted and may be used to meet the government's on-going obligations to citizens and creditors.
- The Township's net position increased by \$1,985,483 for the year ended December 31, 2013.
- As of the close of fiscal year 2013, the Township's governmental funds reported combined ending fund balances of \$7,477,810. Approximately 64% of this total amount is available for spending at the government's discretion. The remaining 36% is held for specific capital expenditures, transportation needs, property maintenance, recreation purposes and debt service.
- The Township's long-term debt decreased by \$777,519 during 2013.
- The Township adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for the year ended December 31, 2013. The effect on the financial statements was to record a liability and expense related to other postemployment benefits and restate net position at December 31, 2012.

Overview of the Financial Statements

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, notes to the financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Township:

Government-Wide Financial Statements - The statement of net position presents information on the Township's assets (excluding the retroactive cost of general infrastructure capital assets) and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Whitehall Township

Management's Discussion and Analysis
December 31, 2013

Overview of the Financial Statements (continued)

Fund Financial Statements - Fund financial statements focus on the individual parts of the Township's government. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant (major) funds. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending.

Notes to the Financial Statements - The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Required Supplementary Information - The management's discussion and analysis, pension funding information and the budgetary comparison schedules represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements and notes (referred to as the "basic financial statements").

Other Supplementary Information - Combining statements for the nonmajor government funds are presented as other supplementary information.

Reporting the Township as a Whole**The Township's Reporting Entity Presentation**

This annual report includes all activities for which the Township is responsible. Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the reporting entity, we have considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the Township. There are no agencies or entities that should be presented with the Township.

Government-Wide Financial Analysis

The Township is presenting its financial statements in the format prescribed by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The statement of net position and the statement of activities report information about the Township as a whole, and about its activities, to measure the results of the year's activities.

Whitehall Township**Management's Discussion and Analysis**

December 31, 2013

Government-Wide Financial Analysis (continued)**Government-Wide Financial Statements**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$15,778,435 at the close of the fiscal year 2013. Of this amount, \$11,347,774 (or 61%) is accounted for by capital assets (e.g., land, buildings and equipment, construction in progress) less any related debt used to acquire those assets that are still outstanding.

The Township used these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Township's net position at December 31, 2013 and 2012 is presented below:

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 7,244,005	\$ 5,297,614
Other current assets	1,852,973	1,910,935
Capital assets	<u>15,401,290</u>	<u>15,471,747</u>
Total Assets	<u>24,498,268</u>	<u>22,680,296</u>
Liabilities		
Current liabilities	2,076,694	1,987,105
Long-term liabilities	<u>6,643,139</u>	<u>6,900,239</u>
Total Liabilities	<u>8,719,833</u>	<u>8,887,344</u>
Net Position		
Net investment in capital assets	11,347,774	10,634,575
Restricted	1,074,320	1,131,993
Unrestricted	<u>3,356,341</u>	<u>2,026,384</u>
Total Net Position	<u>\$ 15,778,435</u>	<u>\$ 13,792,952</u>

Net position is shown as restricted if they can only be used for a specific purpose. Net position of the Township's State Highway Aid Fund and Traffic Impact Fund are considered restricted. The remaining net position is invested in capital assets or unrestricted.

Whitehall Township**Management's Discussion and Analysis**

December 31, 2013

Government-Wide Financial Analysis (continued)**Government-Wide Financial Statements (continued)**

The Township's change in net position for the year ended December 31, 2013 and 2012 is presented below:

	<u>2013</u>	<u>2012</u>
Revenues		
Program revenues:		
Charges for services	\$ 4,344,673	\$ 4,470,949
Operating grants and contributions	1,399,877	1,111,056
Capital grants and contributions	796,129	967,379
General revenues:		
Real estate taxes	6,255,885	6,089,744
Earned income taxes	5,798,619	4,854,119
Business privilege taxes	1,878,170	1,757,570
Other taxes levied for specific purposes	1,013,055	815,031
Interest income and rents	44,246	55,914
Fines and forfeits	125,877	175,539
Proceeds from sale of capital assets	16,384	51,447
Miscellaneous income	<u>249,534</u>	<u>326,239</u>
Total Revenues	<u>21,922,449</u>	<u>20,674,987</u>
Expenditures		
General government	1,178,267	1,240,077
Public safety	8,087,786	7,982,798
Public works	6,024,595	5,475,823
Culture and recreation	840,723	823,257
Insurance, employee benefits and miscellaneous	2,480,840	2,363,574
Depreciation - unallocated	1,157,755	1,095,484
Interest	<u>167,000</u>	<u>198,919</u>
Total Expenditures	<u>19,936,966</u>	<u>19,179,932</u>
Change in Net Position	1,985,483	1,495,055
Net Position at Beginning of Year, Adjusted	<u>13,792,952</u>	<u>12,297,897</u>
Net Position at End of Year	<u>\$ 15,778,435</u>	<u>\$ 13,792,952</u>

Whitehall Township

Management's Discussion and Analysis

December 31, 2013

Government-Wide Financial Analysis (continued)**Government-Wide Financial Statements (continued)**

Government-wide revenues for 2013 were primarily derived from property tax collections at 29% and earned income tax collections at 27% of the total. Charges for services, at 20%, are the third largest source of revenue.

Total expenses for all programs in 2013 were \$19,936,966. The expenses reflect the delivery of a wide range of services, with the largest being public safety at 40%. The second largest program is highways and streets at 30%.

Net Program Expenses (Revenues)

	<u>2013</u>	<u>2012</u>
General government	\$ (230,427)	\$ (167,811)
Public safety	7,134,298	6,719,796
Public works - highways and streets	2,885,132	2,349,471
Culture and recreation	407,649	650,445
Insurance, employee benefits and miscellaneous	1,874,880	1,784,244
Depreciation and interest	<u>1,324,755</u>	<u>1,294,403</u>
Total Net Program Expenses (Revenues)	\$ <u>13,396,287</u>	\$ <u>12,630,548</u>

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. Public safety expenses required the most general revenues for support, needing approximately \$7.1 million in 2013. Public works expenses required approximately \$2.9 million in general revenues for support.

Capital Assets and Debt Administration**Capital Assets**

The Township's investment in capital assets for its governmental activities as of December 31, 2013 and 2012 totals \$15,401,290 and \$15,471,747 (net of accumulated depreciation), respectively. The Township's investment in capital assets includes land, buildings and improvements, machinery and equipment, traffic signals and infrastructure acquired after 2003. Infrastructure includes land improvements, roads, bridges and storm water lines.

This year's major additions included:

Various road projects	\$ 584,574
Land	324,549

Whitehall Township

Management's Discussion and Analysis

December 31, 2013

Capital Assets and Debt Administration (continued)**Capital Assets (continued)**

Governmental Activities		
Summary of Capital Assets (Net of Accumulated Depreciation) at December 31		
	<u>2013</u>	<u>2012</u>
Capital assets not being depreciated:		
Land	\$ 2,419,613	\$ 2,095,064
Construction in progress	<u>77,256</u>	<u>45,113</u>
	<u>2,496,869</u>	<u>2,140,177</u>
Capital assets being depreciated:		
Buildings and improvements	5,491,642	5,786,215
Machinery and equipment	611,092	800,827
Traffic signals	922,791	1,026,029
Infrastructure	<u>5,878,896</u>	<u>5,718,499</u>
	<u>12,904,421</u>	<u>13,331,570</u>
Total Capital Assets	<u>\$ 15,401,290</u>	<u>\$ 15,471,747</u>

All assets of the primary government are depreciated using the straight-line method.

Additional information on the Township's capital assets can be found in Note 5 to the financial statements.

Long-Term Debt

At December 31, 2013, the Township had \$3,992,631 of general obligation debt outstanding. This was a decrease of \$777,519 or 16% from the previous year. The following table details the activity related to the general obligation debt outstanding during 2013:

Governmental Activities		
Summary of General Obligation Debt at December 31		
	<u>2013</u>	<u>2012</u>
General obligation bonds/notes:		
Note, Series of 2001	\$ 1,747,631	\$ 1,660,150
Bonds, Series of 2011	<u>2,245,000</u>	<u>3,110,000</u>
	<u>\$ 3,992,631</u>	<u>\$ 4,770,150</u>

Additional information on the Township's long-term debt can be found in Note 7 of this report.

Whitehall Township

Management's Discussion and Analysis

December 31, 2013

Economic Factors and Next Year's Budget and Rates**Economic Factors**

Management and the Board of Commissioners were able to recognize a financial benefit from their prior decisions to increase revenues to offset annual expenditure increases. By ensuring that revenue totals ran consistent with expenses, the Township was able to increase its end of year fund balance from \$2.83 million to \$4.76 million. This enabled the Township to keep taxes at the same rate as that of 2013. The Real Estate Tax millage rate remains at 2.80 mills. Several real estate tax appeals remain pending as of January 1, 2014, involving large commercial and multi-family properties. The affect on the Township's revenues will be slightly, but not significantly, affected by the outcome of these appeals.

2014 Budget

The 2014 budget was adopted by the Township with total General Fund expenditures equaling \$20,692,894 and revenues equaling \$19,002,105. Overall expenditures increased marginally over the prior year, with the greatest increases found in salaries, health insurance and garbage collection. The Township committed an additional \$382,000 to be transferred to the Capital Reserve Fund for infrastructure and equipment purchases. There were no major programs or initiatives added.

2014 Rates

As noted above, the Real Estate Tax Millage Rate remained at 2.80 mills. The Earned Income Tax Rate remains at the statutory maximum of 1.00%.

All other tax rates and user fee charges remained at prior year levels.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Township.

Whitehall Township

Statement of Net Position - Governmental Activities

December 31,
2013*Assets*

Cash and cash equivalents	\$ 7,244,005
Accounts receivable	876,253
Taxes receivable	885,236
Grants receivable	65,342
Other assets	2,907
Due from other funds	23,235
Capital assets not being depreciated	2,496,869
Capital assets being depreciated, net	<u>12,904,421</u>
Total Assets	<u>24,498,268</u>

Liabilities

Accounts payable	857,679
Accrued salaries and withholdings	289,632
Accrued interest	29,383
Bonds payable, current portion	900,000
Compensated absences payable	176,571
Bonds payable, long-term portion	3,153,516
Other postemployment benefits	<u>3,313,052</u>
Total Liabilities	<u>8,719,833</u>

Net Position

Net investment in capital assets	11,347,774
Restricted	1,074,320
Unrestricted	<u>3,356,341</u>
Total Net Position	<u>\$ 15,778,435</u>

Whitehall Township

Statement of Activities - Governmental Activities

Functions/Programs	Year Ended December 31, 2013				Governmental Activities Net (Expenses) Revenues and Changes in Net Position
	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General government	\$ 1,178,267	\$ 1,134,680	\$ 25,584	\$ 248,430	\$ 230,427
Public safety	8,087,786	502,059	451,429	-	(7,134,298)
Public works	6,024,595	2,565,860	25,904	547,699	(2,885,132)
Culture and recreation	840,723	142,074	291,000	-	(407,649)
Insurance, employee benefits and miscellaneous	2,480,840	-	605,960	-	(1,874,880)
Depreciation - unallocated	1,157,755	-	-	-	(1,157,755)
Interest	167,000	-	-	-	(167,000)
Total Governmental Activities	\$ 19,936,966	\$ 4,344,673	\$ 1,399,877	\$ 796,129	(13,396,287)
General Revenues					
					6,255,885
					5,798,619
					1,878,170
					340,496
					593,712
					78,847
					44,246
					125,877
					16,384
					249,534
					15,381,770
					1,985,483
					13,792,952
					\$ 15,778,435

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See accompanying notes.

Whitehall Township

Balance Sheet - Governmental Funds

Year Ended December 31, 2013

	General Fund	State Highway Aid Fund	Traffic Impact Fund	Capital Reserve Fund	Lafarge Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 4,388,302	\$ 57,743	\$ 1,039,286	\$ 259,135	\$ 1,086,119	\$ 18,874	\$ 394,546	\$ 7,244,005
Accounts receivable	876,253	-	-	-	-	-	-	876,253
Taxes receivable	885,236	-	-	-	-	-	-	885,236
Grants receivable	57,468	-	-	7,874	-	-	-	65,342
Other assets	2,907	-	-	-	-	-	-	2,907
Due (to) from other funds	23,235	-	-	-	-	-	-	23,235
Total Assets	\$ 6,233,401	\$ 57,743	\$ 1,039,286	\$ 267,009	\$ 1,086,119	\$ 18,874	\$ 394,546	\$ 9,096,978
Liabilities								
Accounts payable	\$ 495,575	\$ 21,725	\$ 984	\$ 119,714	\$ -	\$ -	\$ -	\$ 637,998
Accrued expenses	289,632	-	-	-	-	-	-	289,632
Unavailable revenue - property taxes	141,882	-	-	-	-	-	-	141,882
Unavailable revenue - per capita taxes	27,525	-	-	-	-	-	-	27,525
Unavailable revenue - garbage charges	302,450	-	-	-	-	-	-	302,450
Returnable deposits	112,483	-	-	-	-	-	-	112,483
Other liabilities	107,198	-	-	-	-	-	-	107,198
Total Liabilities	\$ 1,476,745	\$ 21,725	\$ 984	\$ 119,714	\$ -	\$ -	\$ -	\$ 1,619,168
Fund Balances								
Restricted	\$ -	\$ 36,018	\$ 1,038,302	\$ -	\$ -	\$ -	\$ -	\$ 1,074,320
Committed	-	-	-	147,295	-	18,874	273,009	439,178
Assigned	-	-	-	-	1,086,119	-	121,537	1,207,656
Unassigned	4,756,656	-	-	-	-	-	-	4,756,656
Total Fund Balances	\$ 4,756,656	\$ 36,018	\$ 1,038,302	\$ 147,295	\$ 1,086,119	\$ 18,874	\$ 394,546	\$ 7,477,810

See accompanying notes.

Whitehall Township**Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position**

	<u>December 31,</u> <u>2013</u>
Total Fund Balances, Governmental Funds	\$ 7,477,810
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported as assets in the governmental funds. The cost of the capital assets is \$35,296,451 and the accumulated depreciation is \$19,895,161.	15,401,290
Taxes receivable will be collected next year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	471,857
Long-term liabilities applicable to the Township's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at December 31, 2013 are as follows:	
Bonds payable	(4,053,516)
Accrued interest on bonds payable	(29,383)
Compensated absences	(176,571)
Other postemployment benefits (OPEB) obligation	<u>(3,313,052)</u>
Total Net Position, Governmental Activities	<u>\$ 15,778,435</u>

Whitehall Township

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended December 31, 2013

	General Fund	State Highway Aid Fund	Traffic Impact Fund	Capital Reserve Fund	Lafarge Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 14,924,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,924,845
Licenses and permits	581,064	-	-	-	-	-	-	581,064
Fines and forfeits	125,877	-	-	-	-	-	-	125,877
Interest, rents and royalties	39,899	438	1,559	109	1,597	36	608	44,246
Intergovernmental revenue	1,082,973	547,699	-	248,430	195,000	-	-	2,074,102
Charges for services	3,766,689	-	-	-	-	-	-	3,766,689
Contributions	-	-	25,904	-	-	-	96,000	121,904
Miscellaneous revenue	260,437	34,890	-	-	-	-	-	295,327
Total Revenues	20,781,784	583,027	27,463	248,539	196,597	36	96,608	21,934,054
Expenditures								
Current:								
General government	1,187,076	-	-	-	-	-	-	1,187,076
Public safety	7,414,200	-	-	88,031	-	-	-	7,502,231
Public works	5,307,640	349,397	14,325	299,592	-	-	10,983	5,981,937
Culture and recreation	780,064	-	-	71,941	-	-	42,359	894,364
Insurance, employee benefits and other	2,530,840	-	-	-	-	-	-	2,530,840
Debt service:								
Principal	-	-	-	-	-	865,000	-	865,000
Interest	-	-	-	-	-	96,468	-	96,468
Capital outlay	57,003	21,636	-	665,750	322,048	-	20,860	1,087,297
Total Expenditures	17,276,823	371,033	14,325	1,125,314	322,048	961,468	74,202	20,145,213
Excess (Deficiency) of Revenues over (under) Expenditures	3,504,961	211,994	13,138	(876,775)	(125,451)	(961,432)	22,406	1,788,841

See accompanying notes.

Whitehall Township

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (continued)

	Year Ended December 31, 2013							
	General Fund	State Highway Aid Fund	Traffic Impact Fund	Capital Reserve Fund	Lafarge Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)								
Transfers in	\$ -	\$ -	\$ -	\$ 995,805	\$ -	\$ 961,468	\$ -	\$ 1,957,273
Transfers out	(1,581,468)	(282,805)	-	-	(93,000)	-	-	(1,957,273)
Proceeds from sale of capital assets	-	-	-	16,384	-	-	-	16,384
Total Other Financing Sources (Uses)	(1,581,468)	(282,805)	-	1,012,189	(93,000)	961,468	-	16,384
Net Change in Fund Balances	1,923,493	(70,811)	13,138	135,414	(218,451)	36	22,406	1,805,225
Fund Balances at Beginning of Year	2,833,163	106,829	1,025,164	11,881	1,304,570	18,838	372,140	5,672,585
Fund Balances at End of Year	\$ 4,756,656	\$ 36,018	\$ 1,038,302	\$ 147,295	\$ 1,086,119	\$ 18,874	\$ 394,546	\$ 7,477,810

See accompanying notes.

Whitehall Township

Reconciliation of the Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

	Year Ended December 31, 2013
Net Change in Fund Balances, Governmental Funds	\$ 1,805,225
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation of \$1,157,755 exceeded capital outlays of \$1,087,297 in the current year.</p>	(70,458)
<p>Governmental funds report interest paid on bonds payable as expenditures. However, in the statement of activities, interest is matched to the period in which it was incurred. This amount is the net effect of matching interest expense to the proper period.</p>	10,812
<p>Some taxes will not be collected for several months after year end. They are not considered as "available" revenues in the governmental funds. Deferred revenues increased by this amount during the year.</p>	17,804
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the current period are:</p>	
Principal repayments	\$ 865,000
Accreted interest	(87,481)
Amortization of premium on bond issue	6,137
	783,656
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:</p>	
Compensated absences payable	(31,942)
Other postemployment benefits (OPEB) obligation	(529,614)
	(561,556)
Change in Net Position, Governmental Activities	\$ 1,985,483

Whitehall Township**Statement of Fiduciary Net Position - Fiduciary Funds**

	Year Ended December 31, 2013		
	Pension Trust Fund	Agency Funds	Total
<i>Assets</i>			
Cash and cash equivalents	\$ 319,871	\$ 1,943,646	\$ 2,263,517
Investments	24,011,169	-	24,011,169
Total Assets	24,331,040	1,943,646	26,274,686
<i>Liabilities</i>			
Accounts payable	-	31,232	31,232
Due to (from) other funds	-	23,235	23,235
Returnable deposits	-	1,889,179	1,889,179
Total Liabilities	-	1,943,646	1,943,646
<i>Net Position</i>			
Assets held in trust for pension benefits	\$ 24,331,040	\$ -	\$ 24,331,040

DRAFT**Whitehall Township****Statement of Changes in Fiduciary Net Position - Fiduciary Fund - Pension Trust Fund**

	Year Ended December 31, 2013
Additions	
Contributions:	
Contributions, employer	\$ 979,590
Contributions, employee	<u>203,895</u>
Total contributions	<u>1,183,485</u>
Investment income:	
Net increase in value of investments	3,978,619
Interest and dividends	<u>545,579</u>
Total investment income	<u>4,524,198</u>
Total Additions	<u>5,707,683</u>
Deductions	
Benefit payments	893,182
Administrative expenses	<u>137,659</u>
Total Deductions	<u>1,030,841</u>
Change in Net Position	<u>4,676,842</u>
Net Position at Beginning of Year, Assets Held in Trust for Pension Benefits	<u>19,654,198</u>
Net Position at End of Year, Assets Held in Trust for Pension Benefits	<u><u>\$ 24,331,040</u></u>

See accompanying notes.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 1 - Nature of Activity

Whitehall Township (the Township), Lehigh County, Pennsylvania, operates under a Home Rule Charter approved by voter referendum in 1974. The Township has an approximate population of 26,000, based on a 2010 census report, living within an area of 12.8 square miles. The Township is in the southeastern portion of the Commonwealth of Pennsylvania and is located in Lehigh County.

Note 2 - Summary of Significant Accounting Policies

Except for not recording the retroactive cost of general infrastructure capital assets and related depreciation, the Township follows the practice of presenting its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The Financial Reporting Entity

The Township is a Pennsylvania First Class Township which operates under a Board of Commissioners-Mayor form of government. GAAP require that the reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units, are such that exclusion from the financial reporting entity would render the financial reporting entity's financial statements incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria. There are no agencies or entities which should be presented with the Township.

Related Organization

The Township's Board of Commissioners is responsible for appointing the members of the Governing Board of the Whitehall Township Authority and the Whitehall Township Industrial and Commercial Development Authority, but the Township's accountability for these organizations does not extend beyond making the appointments.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Jointly Governed Organization****Coplay Whitehall Sewer Authority**

The Township, in conjunction with the Borough of Coplay has created the Coplay Whitehall Sewer Authority. The Coplay Whitehall Sewer Authority Board is composed of four members appointed by Whitehall Township Commissioners and three members appointed by Coplay Borough Council. The primary purpose of the Authority is to provide sewage service to the entire areas of Coplay and Whitehall.

Basis of Presentation**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the reporting government as a whole. The statements include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5% of the corresponding total for all governmental funds combined.

The Township may also report as a major fund any fund it believes to be of particular importance to the financial statement users.

The funds of the financial reporting entity are described below:

Governmental Funds

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use and balance of the Township's expendable financial resources and the related liabilities (except for those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination.

Whitehall Township

Notes to Financial Statements
December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Basis of Presentation (continued)****Fund Financial Statements (continued)****Governmental Funds (continued)**

General Fund - is the primary operating fund of the Township and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted, committed or assigned revenues should be the foundation for a special revenue fund. The Township reports the following special revenue funds as major funds:

State Highway Aid Fund - is used to account for the proceeds from the State Motor License Fund. Under the Act of June 1, 1956, P.L. 1944, No. 145, this Fund must be kept separate from all other funds and no other funds shall be commingled with this Fund. Expenditures are legally restricted to expenditures for highway purposes in accordance with the Department of Transportation regulations. County liquid fuels tax payments to the local government are not accounted for in this fund.

Traffic Impact Fund - is used to account for fees collected by the Township, thus ensuring that new development bears a proportionate share of the cost of capital expenditures necessary to meet the transportation needs of the Township.

The Township reports the following special revenue funds as nonmajor funds:

Recreation Escrow Fund - is used to account for money received from developers of residential subdivisions required to be expended for recreation capital improvements.

Perpetual Maintenance Fund - is used to account for fees collected by the Township for future maintenance of dedicated development property.

Whitehall Township

Notes to Financial Statements
December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Basis of Presentation (continued)****Fund Financial Statements (continued)****Governmental Funds (continued)**

Capital Projects Funds - are used to account for and report financial resources that are restricted, committed or assigned expenditures for capital outlays, including the acquisition or construction of major capital improvements. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments. The Township reports the following capital projects funds as major funds:

Capital Reserve Fund - is used to account for resources to be used to construct or acquire capital assets from resources derived from budgetary transfers, investment earnings and the sale of fixed assets.

Lafarge Fund - is used to account for funds received from a settlement for relocation of a road. The funds are used to purchase equipment.

Debt Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest (debt service) resources. This fund includes financial resources that are being accumulated for principal and interest maturing in future years and also includes financial resources that are legally mandated to be accounted for and reported in a debt service fund. The Township reports the following debt service fund as a major fund:

Debt Service Fund - is used for the payment of debt related to the Township's General Obligation Bonds and Notes.

Fiduciary Fund Types

The Township also reports the following fund types:

Pension Trust Fund - is used to account for assets held for the Township's police pension plan, which is funded by employer and employee contributions. This fund accounts for fiduciary resources legally held in trust for the receipt and distribution of retirement benefits.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Basis of Presentation (continued)****Fund Financial Statements (continued)****Fiduciary Fund Types (continued)**

Agency Funds - are used to account for assets held in trust for the benefit of others, with the Township having no equity or ownership in the assets. The reporting entity includes the following agency funds:

Developers Escrow Fund - is used to record receipt of developer escrow deposits to be used as expense reimbursement for legal and engineering fees.

Firemen's Length of Service Award Fund - is used to record receipt of money appropriated from the General Fund for volunteer firemen's length of service awards.

Flex 125 Plan and Worker's Compensation Funds - are used to record receipt of money appropriated for nonrisk associated worker's compensation claims and insurance premiums and employee benefits.

Treasurer's Accounts Fund - is used for the collection of various taxes from residents and employers in the Township and disbursement to the Township and to local governments.

Measurement Focus and Basis of Accounting

The basic financial statements of the Township are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements
- Required supplementary information

Government-Wide Financial Statements

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Measurement Focus and Basis of Accounting (continued)****Government-Wide Financial Statements (continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (a) fees, fines and charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities of the government-wide financial statements.

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred except for unmatured interest on long-term debt, claims, judgments and pension expenditures which are recorded as a fund liability when expected to be paid with expendable available financial resources.

In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one type, funds must be expended for the specific purpose or project before any amounts will be paid to the Township, therefore, revenues are recognized based upon the expenditures incurred. In the other type, funds are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reported as revenues at the time of receipt or earlier, if the susceptible-to-accrual criteria are met.

Licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment income is recognized as earned.

The Township's Fiduciary Funds are presented in the fund financial statements by type (pension and agency). Since, by definition, these assets are being held for the benefit of a third party (other local governments, litigants, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into government-wide statements.

Whitehall Township

Notes to Financial Statements
December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Assets and Liabilities****Cash**

The Township considers all cash accounts that are not subject to withdrawal restrictions or penalties to be cash.

Investments

The Board of Commissioners is authorized by statutes to invest its funds as defined in the Township Code. Authorized types of investments include the following:

- A. U. S. Treasury Bills.
- B. Short-term obligations of the U. S. Government or its agencies or instrumentalities.
- C. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions.
- D. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision.
- E. Shares of mutual funds whose investments are restricted to the above categories.

Investments are carried at fair value.

Investments of pension trust funds are pursuant to the guidelines established by the Police Pension Board.

Accounts Receivable

Accounts receivable are shown net of allowances for uncollectible amounts.

Due to and from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include building and improvements, machinery and equipment, traffic signals and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair value on the date of donation.

Whitehall Township

Notes to Financial Statements
December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Assets and Liabilities (continued)****Capital Assets (continued)**

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend its useful life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in the financial statements.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	31 ½ to 39 years
Machinery and equipment	5 years
Traffic signals	7 years
Infrastructure	15 years

GASB Statement No. 34 requires the Township to report and depreciate new infrastructure assets effective beginning 2003. Infrastructure assets include roads, bridges, traffic signals, etc. Except for traffic signals, neither the historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure was subject to an extended implementation period and was first effective for fiscal years ending 2007. Management has not recorded the retroactive reporting of general infrastructure assets and the depreciation on those assets.

Bond Premiums and Discounts

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Returnable Deposits

The Township requires deposits from developers for site development. Unexpended deposits are returned to developers.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bonds and notes payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Assets and Liabilities (continued)****Compensated Absences**

The Township accrues accumulated compensation and sick pay benefits when earned, or estimated to be earned, by the employee. Accrued vacation must be used during the calendar year without carryover to future years, except with advance approval of the Township Executive.

Equity**Government-Wide Statements**

Net position is classified into the following three components:

Net Investment in Capital Assets - This component of net position consists of the cost of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets.

Restricted - This component of net position consists of constraints placed on net position use either by (a) external groups such as creditors, grantors, contributors or laws and regulations of other governments or (b) law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

It is the Township's policy to first use restricted net position prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both reserved and unreserved fund balances are available.

Governmental Fund Financial Statements

Fund balances are classified into specifically designed classifications as follows:

Nonspendable - This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.

Restricted - This classification consists of amounts that are restricted to specific purposes either by (a) external groups such as creditors, grantors, contributors or laws and regulations of other governments or (b) law through constitutional provisions or enabling legislation. The restriction is binding unless removed with the consent of the resource provider.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Equity (continued)****Governmental Fund Financial Statements (continued)**

Committed - This classification consists of amounts used for specific purposes imposed by formal action of the Township's highest level of decision-making authority. The commitment is binding unless removed in the same manner imposed. Formal action must occur prior to fiscal year end, however, the amount may be determined subsequent to year end.

Assigned - This classification consists of amounts constrained by the Township's intent to be used for specific purposes that are neither restricted nor committed.

Unassigned - This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance.

Revenues and Expenditures**Program Revenues**

All revenues are recognized when received.

In the statement of activities, revenues that are derived directly from each activity or from parties outside the Township's taxpayers are program revenues. Amounts reported as program revenues include (a) charges to customers or applicants for goods and services or privileges provided, (b) operating grants and contributions and (c) capital grants and contributions, including special assessments.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Intergovernmental Revenues

Intergovernmental revenues are received from the Commonwealth of Pennsylvania, federal agencies and local governmental units, generally to fund specific programs, and are recognized when received.

Property Taxes

The Township is permitted by its Home Rule Charter to levy real estate taxes up to 20 mills of assessed valuation for general purposes. The millage rate levied by the Township for 2013 was 2.8 mills as established by the Board of Commissioners. Current tax collections for the Township were approximately 98% of the total tax levy.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Revenues and Expenditures (continued)****Property Taxes**

The Township's real estate taxes are based on assessed value established by the County's Board of Assessments. The real estate taxes are collected by an elected tax collector. Real estate taxes attach an enforceable lien on property when levied on March 1. A discount of 2% is applied to payments made prior to April 30. A penalty of 10% is added to the face amount of taxes paid after July 1.

In the government-wide financial statements, taxes receivable and related revenue include all amounts due to the Township regardless of when the cash is received. Over time, substantially all property taxes are collected.

In the fund financial statements, delinquent property taxes not paid within 60 days of December 31 are recorded as a deferred inflow of resources.

Internal and Interfund Balances and Activities**Fund Financial Statements**

Interfund activity, if any, within and among the governmental fund category, is reported as follows in the fund financial statements:

Interfund Services

Sales or purchases of goods and services between funds are reported as revenues and expenditures.

Interfund Reimbursements

Repayments from funds responsible for certain expenditures to the funds that initially paid for them are not reported as reimbursements, but as adjustments to expenditures in the respective funds.

Interfund Transfers

Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 2 - Summary of Significant Accounting Policies (continued)**Recent Accounting Pronouncement**

In June 2012, the GASB issued Statement No. 68, *Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. The objective of this Statement is to improve accounting and reporting by governments for pension plans, including recognition as a liability the unfunded pension liability. This Statement is effective for periods beginning after June 15, 2014 and the Township will adopt this Statement in its December 31, 2015 financial statements.

Note 3 - Stewardship, Compliance and Accountability**Compliance with Finance-Related Legal and Contractual Provisions**

The Township had no material violations of finance-related legal and contractual provisions.

Excess of Expenditures over Appropriations in Individual Funds

No individual fund, which was budgeted as required by the Commonwealth of Pennsylvania, contained an excess of expenditures over appropriations that was not covered by the cash balance at December 31, 2012 and the cash received for the year ended December 31, 2013. The State Highway Aid Fund expenditures exceeded appropriations in the amount of \$106,033 due to higher than anticipated street lighting and traffic signal maintenance.

Note 4 - Deposits and Investments

The Township's available cash is invested in demand deposit accounts. Pension fund assets are invested in cash and common stock. The carrying amounts of cash and investments at December 31, 2013 consist of the following:

Cash deposits	\$ 9,507,352
Investments	24,011,169
Petty cash	<u>170</u>
	<u>\$ 33,518,691</u>

Reconciliation to Statement of Net Position/Balance Sheet

Cash:	
Governmental activities	\$ 7,244,005
Fiduciary funds	<u>2,263,517</u>
	9,507,522
Investments, fiduciary	<u>24,011,169</u>
	<u>\$ 33,518,691</u>

Whitehall Township**Notes to Financial Statements**

December 31, 2013

Note 4 - Deposits and Investments (continued)**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that, in the event of a financial institution failure, the Township's deposits may not be returned. At December 31, 2013, the carrying amounts of the Township's bank deposits were \$9,507,352 and the corresponding bank balances were \$10,003,758, of which \$260,000 was covered by Federal Depository Insurance. Deposits totaling \$9,743,758 were exposed to custodial risk because they were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

Investments

As of December 31, 2013, the Township's pension fund has the following investments:

Money market funds	\$ 1,848,107
Fixed income	4,427,249
Equities	17,267,450
Mutual funds	<u>468,363</u>
	<u>\$ 24,011,169</u>

Credit Risk

The Township limits the type of investments permitted as defined in the Township Code. Permitted investments are defined in Note 2. When making investments, the Township can combine monies from more than one fund under the Township's control for the purchase of a single investment and join with other political subdivisions in the purchase of a single investment.

Interest Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2013, \$24,011,169 is held by the investment's counterparties, not in the name of the Township.

Whitehall Township

Notes to Financial Statements
December 31, 2013

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,095,064	\$ 324,549	\$ -	\$ 2,419,613
Construction in progress	45,113	32,143	-	77,256
Total capital assets not being depreciated	2,140,177	356,692	-	2,496,869
Capital assets being depreciated:				
Buildings and improvements	14,218,602	20,861	-	14,239,463
Machinery and equipment	7,651,632	103,535	66,606	7,688,561
Traffic signals	2,948,310	21,636	-	2,969,946
Infrastructure	7,317,038	584,574	-	7,901,612
Total capital assets being depreciated	32,135,582	730,606	66,606	32,799,582
Less accumulated depreciation for:				
Buildings and improvements	8,432,387	315,434	-	8,747,821
Machinery and equipment	6,850,805	293,270	66,606	7,077,469
Traffic signals	1,922,281	124,874	-	2,047,155
Infrastructure	1,598,539	424,177	-	2,022,716
Total accumulated depreciation	18,804,012	1,157,755	66,606	19,895,161
Total capital assets being depreciated, net	13,331,570	(427,149)	-	12,904,421
Total governmental activities capital assets, net	\$ 15,471,747	\$ (70,457)	\$ -	\$ 15,401,290

Depreciation expense charged to governmental activities was \$1,157,755 for the year ended December 31, 2013.

Whitehall Township
 Notes to Financial Statements
 December 31, 2013

Note 6 - Interfund Transfers and Balances

Transfers between funds for the year ended December 31, 2013 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,581,468
State Highway Aid Fund	-	282,805
Capital Reserve Fund	995,805	-
Lafarge Fund	-	93,000
Debt Service Fund	961,468	-
	<u>\$ 1,957,273</u>	<u>\$ 1,957,273</u>

The composition of interfund balances as of December 31, 2013 is as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$ -	\$ 23,235
Pension Trust Fund	23,235	-
	<u>\$ 23,235</u>	<u>\$ 23,235</u>

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 7 - Long-Term Debt

At December 31, 2013, long-term debt consisted of the following:

	Balance Outstanding January 1, 2013	Additions	Deletions	Balance Outstanding December 31, 2013
General Obligation Note, Series of 2001, original amount \$5,160,289 (\$4,215,000 Current Interest Notes and \$945,289 Capital Appreciation Notes), due in semiannual installments of principal, plus interest ranging from 3.00% to 5.31% through 2017	\$ 1,660,150	\$ 87,481	\$ -	\$ 1,747,631
General Obligation Bonds, Series of 2011, original amount \$4,295,000, due in semiannual installments of principal, plus interest ranging from 1.00% to 3.850% through 2025	3,110,000	-	865,000	2,245,000
	<u>\$ 4,770,150</u>	<u>\$ 87,481</u>	<u>\$ 865,000</u>	<u>\$ 3,992,631</u>

Aggregate maturities required on long-term debt at December 31, 2013 are as follows:

	Principal	Interest	Total Debt Service
2014	\$ 900,000	\$ 70,518	\$ 970,518
2015	925,000	49,518	974,518
2016	930,000	45,918	975,918
2017	245,000	43,418	288,418
2018	130,000	40,668	170,668
2019-2023	720,000	138,988	858,988
2024-2025	325,000	18,865	343,865
	4,175,000	\$ 407,893	\$ 4,582,893
Unaccreted principal	(182,369)		
	3,992,631		
Unamortized premium	60,885		
Less current maturities	(900,000)		
	<u>\$ 3,153,516</u>		

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 7 - Long-Term Debt (continued)

Changes in long-term liabilities for the year ended December 31, 2013 are as follows:

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013	Current Portion
General obligation debt:					
Note, Series of 2001	\$ 1,660,150	\$ 87,481	\$ -	\$ 1,747,631	\$ -
Note, Series of 2011	3,110,000	-	865,000	2,245,000	900,000
	4,770,150	87,481	865,000	3,992,631	900,000
Compensated absences	144,629	32,636	694	176,571	-
Other postemployment benefits	2,783,438	705,243	175,629	3,313,052	-
Total long-term liabilities	<u>\$ 7,698,217</u>	<u>\$ 825,360</u>	<u>\$ 1,041,323</u>	<u>\$ 7,482,254</u>	<u>\$ 900,000</u>

Compensated absences have been liquidated in the General Fund in prior years.

Note 8 - Fund Balances

Fund balances of the Township's governmental funds at December 31, 2013 consist of the following:

	Restricted	Committed	Assigned	Unassigned	Total Fund Balance
Reported in:					
General Fund	\$ -	\$ -	\$ -	\$ 4,756,656	\$ 4,756,656
State Highway Aid Fund, highways and streets	36,018	-	-	-	36,018
Traffic Impact Fund, transportation needs	1,038,302	-	-	-	1,038,302
Capital Reserve Fund, capital improvements	-	147,295	-	-	147,295
Lafarge Fund, capital expenditures	-	-	1,086,119	-	1,086,119
Debt Service Fund, debt service	-	18,874	-	-	18,874

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 8 - Fund Balances (continued)

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total Fund Balance</u>
Other governmental funds:					
Maintenance of dedicated property	\$ -	\$ -	\$ 121,537	\$ -	\$ 121,537
Recreational services	-	273,009	-	-	273,009
	-	273,009	121,537	-	394,546
	<u>\$ 1,074,320</u>	<u>\$ 439,178</u>	<u>\$ 1,207,656</u>	<u>\$ 4,756,656</u>	<u>\$ 7,477,810</u>

Fund Balance Policy

The Township establishes fund balance in the Township's General Fund and all governmental funds. Fund balance is composed of nonspendable, restricted, committed, assigned and unassigned amounts.

Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing programs or enhance the financial position of the Township in accordance with policies established by the Board of Commissioners.

Spending Policy

The Township's policy is to first use restricted fund balance when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The Township's policy is to use unrestricted fund balance in the following order, committed, assigned and unassigned, when expenditure is incurred for purposes for which each of these fund balance classifications is available.

Minimum Fund Balance Policy

The Township has not formally adopted a minimum fund balance policy.

Committed Fund Balance

The Board of Commissioners is the Township's highest level of decision making authority. The Township has not formally adopted a policy as to the formal action that is required to be taken to establish, modify or rescind a fund balance commitment.

Assigned Fund Balance

The Township has not formally adopted a policy regarding the body or official authorized to assign amounts to a specific purpose and the policy established by the governing body pursuant to which that authorization is given.

Whitehall Township

Notes to Financial Statements
December 31, 2013

Note 8 - Fund Balance (continued)**Reservations of Fund Balance****Restricted - State Highway Aid Fund**

The Township established the following restricted fund balance reserve in the State Highway Aid Fund:

Highways and Streets Reserve - the Township's restricted fund balance in the State Highway Aid Fund consists of proceeds from the State Motor License Fund accounted for in the State Liquid Fuels Highway Aid Fund. Expenditure of these funds is legally restricted to expenditures for highway purposes in accordance with Department of Transportation regulations.

Restricted - Traffic Impact Fund

The Township established the following restricted fund balance reserve in the Traffic Impact Fund:

Traffic Impact Reserve - is restricted by the Township Board of Commissioners, as set forth by Township Ordinance and Pennsylvania Act 209, to provide funds for expenditures necessary to meet specific transportation needs of the Township.

Committed - Capital Reserve Fund

The Township established the following committed fund balance reserve in the Capital Reserve Fund:

Capital Improvements Reserve - is committed by the Board of Commissioners as set forth in the annual budget and any amendments thereto to provide funds for capital improvements.

Committed - Debt Service Fund

The Township established the following committed fund balance reserve in the Debt Service Fund:

Debt Service Reserve - is committed by the Board of Commissioners as set forth in the annual budget and any amendments thereto to provide funds for the repayment of principal and interest.

Committed - Other Governmental Funds

The Township established the following committed fund balance reserves in the Other Governmental Funds:

Recreation - is committed by the Township Board of Commissioners, as set forth by Township Ordinance, to provide recreational services to residents.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 8 - Fund Balance (continued)**Reservations of Fund Balance (continued)****Assigned - Lafarge Fund**

The Township established the following assigned fund balance reserve in the Lafarge Fund:

Capital Expenditure Reserve - is assigned by the Township Board of Commissioners to provide funds for capital expenditure purposes.

Assigned - Other Governmental Funds

The Township established the following assigned fund balance reserve in the Other Governmental Funds:

Perpetual Maintenance Reserve - is assigned by the Township Board of Commissioners to provide funds for the future maintenance of property dedicated to the Township.

Disbursement of Fund Balance Reserves

No formal policy has been adopted by the Township regarding disbursement of funds within the fund balance reserves, however, disbursement is approved by the Board of Commissioners by inclusion in the approved annual budget and amendments thereto.

Annual Review and Determination of Fund Balance Reserve Amounts

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process and the amounts of nonspendable, restricted, committed, assigned and the minimum level of unassigned fund balance shall be determined during this process.

Note 9 - Pension Plans

The Township maintains two single-employer defined benefit pension plans. The assets of the plans are invested separately and each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

Valuation of Investments

All investments of the pension plans are reported at fair value based on quoted market values. Investments that do not have an established market value are reported at estimated fair value. Insurance holdings, if any, are valued at reported contract values.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 9 - Pension Plans (continued)**Plan Descriptions and Contribution Information****Whitehall Township Police Pension Plan****Plan Description**

The Whitehall Township Police Pension Plan (the Police Plan) is a single-employer defined benefit pension plan that covers all full-time uniform employees of the police force. The retirement benefit is equal to 50% of the participant's average monthly compensation based upon the last 36 months of employment, plus a service increment of \$100 per month for each completed year of benefit service in excess of 25. The normal retirement date is age 50 with 25 years of credited service and participants become 100% vested upon completion of 12 years of service. The Police Plan also provides death and disability benefits. The authority for benefit provisions under the Police Plan rests with the Township's Board of Commissioners. The Police Plan does not issue stand-alone financial statements.

Contributions

The Township and participants are required to contribute amounts necessary to fund the Police Plan using the actuarial basis specified by the Township. For the year ended December 31, 2013, the required member contribution was 5% of annual compensation.

Whitehall Township Nonuniformed Pension Plan**Plan Description**

The Whitehall Township Nonuniformed Pension Plan (the Nonuniformed Plan) is a single-employer defined benefit pension plan administered by the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office. The Nonuniformed Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living allowances are provided at the discretion of the Nonuniformed Plan.

Contributions

Act 205 requires that annual contributions be based upon the Nonuniformed Plans' Minimum Municipal Obligation (MMO). The MMO is based upon the Nonuniformed Plan's biennial actuarial valuation. In accordance with the Nonuniformed Plan's governing resolution, members are required to contribute 1.50% to the Nonuniformed Plan. The Nonuniformed Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the Township in accordance with Act 205.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 9 - Pension Plans (continued)**Annual Pension Cost and Net Pension Obligation**

The Township's annual pension cost and net pension obligation to the pension plans for the year ended December 31, 2013 are as follows:

	<u>Police Plan</u>	<u>Nonuniformed Plan</u>
Annual required contribution	\$ 979,580	\$ 265,978
Interest on net pension obligation	-	-
Adjustment to annual required contribution	-	-
Annual pension cost	979,580	265,978
Contributions made	<u>(979,580)</u>	<u>(265,978)</u>
Increase in net pension obligation	-	-
Net pension obligation at beginning of year	-	-
Net pension obligation at end of year	<u>\$ -</u>	<u>\$ -</u>

Actuarial assumptions and other information used to determine the annual required contribution are located in the required supplementary information section of the report.

Three-Year Trend Information

<u>Police Plan</u>			
<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 894,656	100%	\$ -
12/31/12	884,170	100%	-
12/31/13	979,580	100%	-
<u>Nonuniformed Plan</u>			
<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 288,200	100%	\$ -
12/31/12	287,549	100%	-
12/31/13	265,978	100%	-

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 9 - Pension Plans (continued)**Funded Status and Funding Progress**

The funded status of the Township's Police Pension Plan as of January 1, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 19,654,198	\$ 23,889,429	\$ 4,235,231	82.3%	\$ 3,942,080	107.4%

The funded status of the Township's Nonuniformed Pension Plan as of January 1, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 18,450,956	\$ 18,629,372	\$ 178,416	99.0%	\$ 3,693,590	4.8%

The Schedules of Funding Progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The information about the funded status is prepared using the entry age normal actuarial cost method.

Plan Membership

Membership in the pension plans is comprised of the following:

	Police Plan	Nonuniformed Plan
Date determined	January 1, 2013	January 1, 2013
Active employees	44	68
Retirees and beneficiaries currently receiving benefits	29	30
Terminated employees entitled to benefits, but not yet receiving benefits	2	2
	<u>75</u>	<u>100</u>

Whitehall Township

Notes to Financial Statements
December 31, 2013

Note 10 - Postemployment Benefits Other than Pensions (OPEB)**Plan Description**

The Township provides medical, prescription drug, dental and vision insurance benefits to eligible retired police officers and spouses through a single-employer defined benefit plan. For officers hired on or before January 1, 2014 and not retiring under service-related disability, the Township will pay 100% of the cost of benefits for the retiree and spouse. For officers hired after January 1, 2014 or retiring under service-related disability, the Township will pay 100% of the cost of benefits for the officer only. The officer will pay 100% of the cost to cover any dependents not paid for by the Township. Coverage discontinues upon the earlier of the officer attaining Medicare eligibility and the officer's death. For spouses, coverage discontinues upon the spouse attaining Medicare eligibility, if earlier.

Funding Policy and Annual OPEB Cost

The Township currently pays OPEB costs as they occur.

The Township's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Township's annual OPEB cost for the current year, the amount actually contributed to the plan and changes in the Township's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$ 750,868
Interest on net OPEB obligation	125,255
Adjustment to the annual required contribution	<u>(170,879)</u>
Annual OPEB cost	705,243
Contributions made	<u>(175,629)</u>
Increase in net OPEB obligation	529,614
Net OPEB obligation at the beginning of year	<u>2,783,438</u>
Net OPEB obligation at the end of year	<u><u>\$ 3,313,052</u></u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the plan was as follows:

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$ 705,243	24.9%	\$ 3,313,052

Whitehall Township

Notes to Financial Statements
December 31, 2013

Note 10 - Postemployment Benefits Other than Pensions (OPEB) (continued)**Funded Status and Funding Progress**

The funded status of the plan as of January 1, 2013, the most recent actuarial valuation date (the initial actuarial valuation reported for the plan), was as follows:

Actuarial present value at attained age (APVAA):	
Active members	\$ 9,491,971
Retired members	<u>985,474</u>
Total APVAA	<u>\$ 10,477,445</u>
Actuarial accrued liability (AAL)	<u>\$ 6,942,145</u>
Actuarial value of assets (AVA)	<u>\$ -</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 6,942,145</u>
Funded ratio	<u>0%</u>
Covered payroll	<u>\$ 3,942,080</u>
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	<u>176.1%</u>
Annual required contribution (ARC):	
Normal cost	\$ 324,679
30 year amortization of UAAL	<u>426,189</u>
Total ARC	<u>\$ 750,868</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required Schedule of Funding Progress, presented as supplementary information, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the historical pattern of sharing benefit costs between the Township and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Whitehall Township

Notes to Financial Statements

December 31, 2013

Note 10 - Postemployment Benefits Other than Pensions (OPEB) (continued)**Actuarial Methods and Assumptions (continued)**

Significant methods and assumptions are as follows:

Actuarial valuation date	January 1, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, 30 year open period
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	4.5% per annum
Salary increases	5.0% per annum
Healthcare inflation rate	7.0% in 2013, reduced by decrements of 0.5% per year to 5.5% in 2016. Rates gradually decrease from 5.3% in 2017 to 4.2% in 2089 and later

Note 11 - Deferred Compensation

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to those employees who meet the eligibility requirements set forth in the plan, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability or unforeseeable emergency.

The Township has no liability for losses under the plan arising from expense charges of any kind, or from depreciation or shrinkage in the value of assets of the plan, but does have the duty of due care that would be required of an ordinary prudent investor.

Note 12 - Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Township purchases commercial insurance as protection against those losses.

Whitehall Township

Notes to Financial Statements
December 31, 2013

Note 13 - Contingencies**Litigation**

The Township is a defendant in several lawsuits that have been referred to the Township's insurance carrier. While it is not feasible to determine the outcome of these matters, in the opinion of management, any total ultimate liability would not have a material effect on the Township's financial position.

Concentration of Labor

The Township entered into a collective bargaining agreement with the Whitehall Township Police Bargaining Unit Association through December 31, 2013. Of the Township's total workforce, approximately 39% is covered by the agreement.

The Township entered into a collective bargaining agreement with the Whitehall Township Teamsters Local Unit #773 through December 31, 2015. Of the Township's total workforce, approximately 44% is covered by the agreement.

Note 14 - Prior Period Adjustment - Adoption of GASB Statement No. 45

Effective January 1, 2013, the Township adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*. This Statement requires government employers to measure and report the liabilities with other postemployment benefits. The restatement had the following effect on the December 31, 2013 financial statements:

	<u>Governmental Activities</u>
Net position, as previously reported, at December 31, 2012	\$ 16,576,390
Adjustment for adoption of GASB Statement No. 45	<u>(2,783,438)</u>
Net position, as restated, at December 31, 2012	<u>\$ 13,792,952</u>

Note 15 - Subsequent Events

The Township has evaluated subsequent events through _____, 2014. This date is the date the financial statements were available to be issued. No events subsequent to December 31, 2013 were noted.

Whitehall Township

Budgetary Comparison Schedule - General Fund

	Year Ended December 31, 2013			
	Budgeted		Actual	Variance with
	Amounts	Final	Amounts	Final Budget
	Original			
Revenues				
Taxes	\$ 13,691,266	\$ 13,691,266	\$ 14,924,845	\$ 1,233,579
Licenses and permits	543,432	543,432	581,064	37,632
Fines and forfeits	150,000	150,000	125,877	(24,123)
Interest, rents and royalties	42,500	42,500	39,899	(2,601)
Intergovernmental revenue	933,971	933,971	1,082,973	149,002
Charges for services	3,508,477	3,508,477	3,766,689	258,212
Miscellaneous revenue	64,000	64,000	260,437	196,437
Total Revenues	18,933,646	18,933,646	20,781,784	1,848,138
Expenditures				
Current:				
General government	1,298,817	1,298,817	1,187,076	111,741
Public safety	6,301,937	6,301,937	7,414,200	(1,112,263)
Public works	5,528,429	5,528,429	5,307,640	220,789
Culture and recreation	920,527	920,527	780,064	140,463
Insurance, employee benefits and other	4,030,314	4,030,314	2,530,840	1,499,474
Capital outlay	-	-	57,003	(57,003)
Total Expenditures	18,080,024	18,080,024	17,276,823	803,201
Excess of Revenues over Expenditures	853,622	853,622	3,504,961	2,651,339
Other Financing Sources (Uses)				
Transfers out	(1,585,000)	(1,585,000)	(1,581,468)	3,532
Net Change in Fund Balances	\$ (731,378)	\$ (731,378)	1,923,493	\$ 2,654,871
Fund Balance at Beginning of Year			2,833,163	
Fund Balance at End of Year			\$ 4,756,656	



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION III

1650 Arch Street

Philadelphia, Pennsylvania 19103-2029

November 25, 2014

VIA UPS NEXT DAY AIR

Edward D. Hozza, Jr.
Mayor, Whitehall Township
3219 MacArthur Rd.
Whitehall, PA 18052

Re: Whitehall Refusal to Fully Respond to EPA's Section 114 Request

Dear Mr. Hozza:

The U.S. Environmental Protection Agency ("EPA") is writing in response to your November 24, 2014 letter "Response of Whitehall Township to the EPA Request for Information" ("Response"). In the Response, Whitehall Township ("Whitehall") refused to provide certain information requested in EPA's November 10, 2014 letter "Requirement to Provide Information Pursuant to Section 114 of the Clean Air Act" ("Section 114 Request"). In the Section 114 Request, EPA asked Whitehall to provide:

[A]ll documents related to costs associated with the Demolition, including but not limited to: any specification for bids packets, all bids received from all contractors, and any bid tabulations or other documents issued by Whitehall concerning the selection of the winning bid.

While as part of its Response Whitehall provided the bid packet and Madonna Enterprises' bid, it also stated that "[w]ith regard to all other requests, the Township of Whitehall asserts a claim of business confidentiality. In addition, the Township of Whitehall objects that such information is completely irrelevant to any claim as to whether or not the demolition complied with the Clean Air Act." Such concerns were not raised by Whitehall during the two week period between receiving the Section 114 Request and its Response.

EPA's broad authority under Section 114 the Clean Air Act ("CAA") extends not only to information necessary to determine whether a person is in violation of the CAA but also to information necessary to carry out the provisions of the CAA. The information sought in the Section 114 Request (e.g., all of the bids received by Whitehall and any bid tabulations issued by Whitehall) is necessary for EPA to carry out its obligation under Section 113(e) of the CAA to determine an appropriate penalty in consideration of required factors such as a violator's good faith efforts to comply and the seriousness of the violation.



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With this clarification, EPA renews its request for Whitehall to fully comply with the November 10, 2014 Section 114 Request to avoid being liable for additional civil penalties for failing to respond. Additionally, any concerns regarding confidential business information may be addressed through compliance with page 3, paragraph 2 of the Section 114 Request.

Please submit additional information by Monday, December 1 to Rich Ponak, as described on page 3 of the Section 114 Request. If Whitehall does not intend to comply, please immediately contact Jennifer J. Nearhood, Assistant Regional Counsel, at (215) 814-2649.

Sincerely,



John Armstead, Director
Land and Chemicals Division

Enclosure

cc: Rich Ponak, Compliance Officer
Jennifer Abramson, Senior Assistant Regional Counsel
Jennifer Nearhood, Assistant Regional Counsel





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

JUN 29 1994

RECEIVED

AIR AND RADIATION DIVISION

MEMORANDUM

SUBJECT: Asbestos NESHAP Demolition Decision Tree Guidance Document

FROM: John B. Rasnic, Director *Richard Biondi*
 Manufacturing, Energy, and Transportation Division
 Office of Compliance

TO: Air, Pesticides and Toxics Management Division
 Directors
 Regions I and IV

Air and Waste Management Division Director
 Region II

Air, Radiation and Toxics Division Director
 Region III

Air and Radiation Division Director
 Region V

Air, Pesticides and Toxics Division Director
 Region VI

Air and Toxics Division Directors
 Regions VII, VIII, IX and X

Attached you will find the final version of the Asbestos NESHAP Demolition Decision Tree. Over the past few years, several demolition projects with unique issues were brought to the attention of the Stationary Source Compliance Division (SSCD). In order to maintain as much national consistency as possible, SSCD developed this guidance document addressing both normal and unique demolition projects and outlining a decision process that should be followed. The document is designed to help regulatory inspectors decide which of the regulatory requirements may be applicable to a given demolition.



Although this guidance is directed toward EPA asbestos NESHAP inspectors, it may also be appropriate for State and local regulatory inspectors. However, this guidance should be used only as a supplement to any existing program requirements, particularly State or local requirements.

The guidance document was prepared in the SSCD by Jeffery KenKnight with assistance from Tom Ripp and the Regions.

Attachment

cc: Asbestos NESHAP Coordinators
Regions I-X

Asbestos/NESHAP Demolition Decision Tree

U.S. ENVIRONMENTAL PROTECTION AGENCY
Manufacturing, Energy, and Transportation Division
Office of Compliance

June 1994

DISCLAIMER

The policies in this document are intended solely as guidance. EPA may decide to follow this guidance or act at variance therewith, based on an analysis of individual circumstances. Furthermore, although this guidance is directed toward EPA asbestos NESHAP inspectors, it may also be appropriate for State and local regulatory inspectors. However, this guidance should be used only as a supplement to any existing State and local program requirements.

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I. INTRODUCTION

This guidance has been prepared to help asbestos NESHAP inspectors provide guidance to the regulated community and to build stronger enforcement cases through more thorough and effective inspection practices. The guidance touches on difficult situations inspectors may encounter while conducting an asbestos inspection. In order to limit the scope of this document it concentrates on affected facilities undergoing demolition and deals only with EPA guidance regarding the asbestos NESHAP.

The primary focus of this document is the application of a demolition decision tree that is designed to help inspectors decide which of the NESHAP regulatory requirements are applicable to a given situation. Determining compliance with these requirements is addressed in the inspection checklist found in Guidelines for Asbestos NESHAP Demolition and Renovation Inspection Procedures (EPA 340/1-90-007, Revised November 1990).

Regardless of the current status of a facility (e.g., a partially burned structure, a structurally sound facility, etc.), regulatory inspectors utilizing the decision tree should always begin with Flow Chart 1. For example, if a facility is an ordered demolition, the inspector must first determine if the order was made by a qualified agency. An inspector should then determine if the demolition is ordered because the facility is structurally unsound and in danger of imminent collapse. If this is true, the decision process will proceed to Flow Chart 2, which details a chain of decisions an inspector should consider when conducting an asbestos NESHAP compliance inspection. Facilities that are not structurally unsound and will not be demolished by intentional burning (normal demolition) will proceed from Flow Chart 1 to Flow Chart 3 and possibly to Flow Chart 4. Demolition by intentional burning is covered in Flow Chart 1.

The decision tree is accompanied by a list of pertinent definitions and a detailed explanation of the process including examples of situations that may be encountered. Two case studies have been included in the appendices to the guidance that demonstrate how the demolition decision tree can be applied to real life situations.

II. DEFINITIONS

Installation means any building or structure or any group of buildings or structures at a single demolition or renovation site that is under the control of the same owner or operator (or owner or operator under common control).

Asbestos Containing Waste Material includes regulated asbestos-containing material waste and materials contaminated with asbestos including disposable equipment and clothing.

Regulated Asbestos Containing Material (RACM) is defined as (a) friable material, (b) Category I non-friable material that has become friable, (c) Category I non-friable material that will be or has been subjected to sanding, grinding, cutting or abrading, or (d) Category II non-friable material that has a high probability of becoming or has become crumbled, pulverized or reduced to powder by the forces expected to act on it during the course of the demolition.

Facility means any institutional, commercial, public, industrial, or residential structure, installation, or building (including any structure, installation, or building containing condominiums or individual dwelling units operated as a residential cooperative, but excluding residential buildings having four or fewer dwelling units); any ship; and any active or inactive waste disposal site. For purposes of this definition, any building, structure, or installation that contains a loft used as a dwelling, is not considered a residential structure, installation, or building. Any structure, installation or building that was previously subject to this subpart is not excluded, regardless of its current use or function.

Ordered Demolition* means a demolition that is mandated by order of a qualified State or local governmental agency because a facility is either structurally unsound and in danger of imminent collapse or it is being demolished as part of a government project (e.g., urban renewal project or road project).

Qualified State or Local Governmental Agency* means the governmental agency that has legal authority to inspect a facility and declare it structurally unsound and in imminent danger of collapse. Generally, these responsibilities will be held by the local building department or local engineering department. In order for such an agency to make declarations concerning a building's structural soundness and risk of collapse, the persons making such determinations must have appropriate training and/or experience.

Suspect RACM* means any material that is believed to contain asbestos that is either friable or Category I or II nonfriable material that has or will become regulated by actions that are expected to act upon the material.

Unique Methods* means any method of removing RACM that is not normally or has not been previously considered but when implemented will allow the owner/operator to remove RACM in situations otherwise thought too dangerous or impossible (i.e., the removal of material from a structurally unsound facility).

* Definitions to be used only for the purposes of this document.

III. Demolition Decision Tree

The demolition decision tree provided in flow charts 1-4 is designed to help regulatory inspectors determine which of the NESHAP regulatory requirements are applicable to a given demolition. The decision tree is a series of decisions that an inspector should go through when evaluating the demolition of a regulated facility. Use of the flow charts is explained in the following discussions.

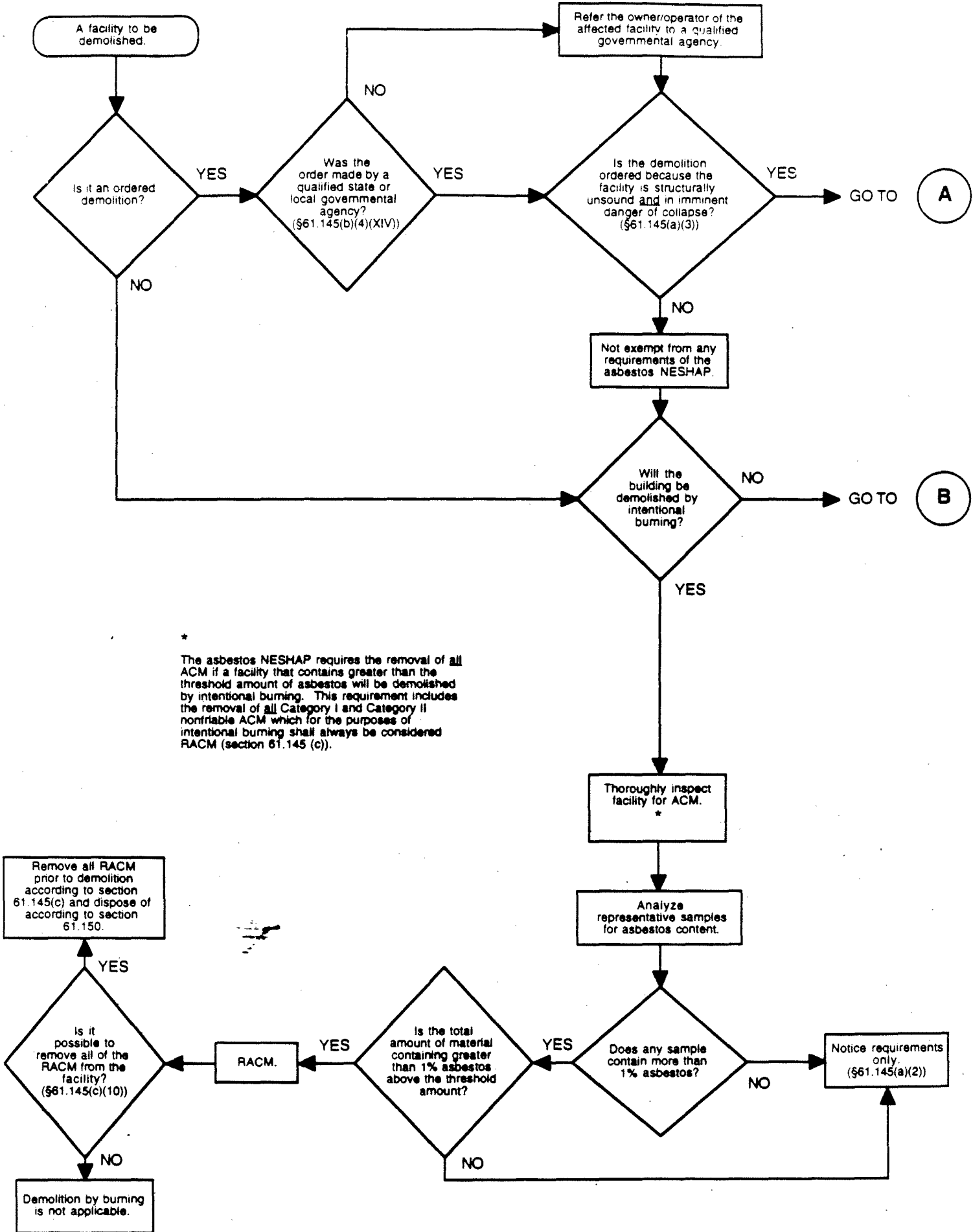
IV. INSPECTION OF FACILITIES UNDERGOING ORDERED DEMOLITION [Refer to Flow Chart 1]

Regulatory inspectors sent out to make asbestos NESHAP inspections of facilities undergoing demolition must first confirm whether or not the demolition is an ordered demolition and if so, the reason for the order and its origin. This information should be included on the notification.

It is important to make a distinction between ordered demolitions that are made because the facility is structurally unsound and in danger of imminent collapse and those that are ordered as part of one common project, such as a highway right of way or an urban renewal project, because the ~~former~~ allows for some exemptions from the requirements of the asbestos NESHAP.

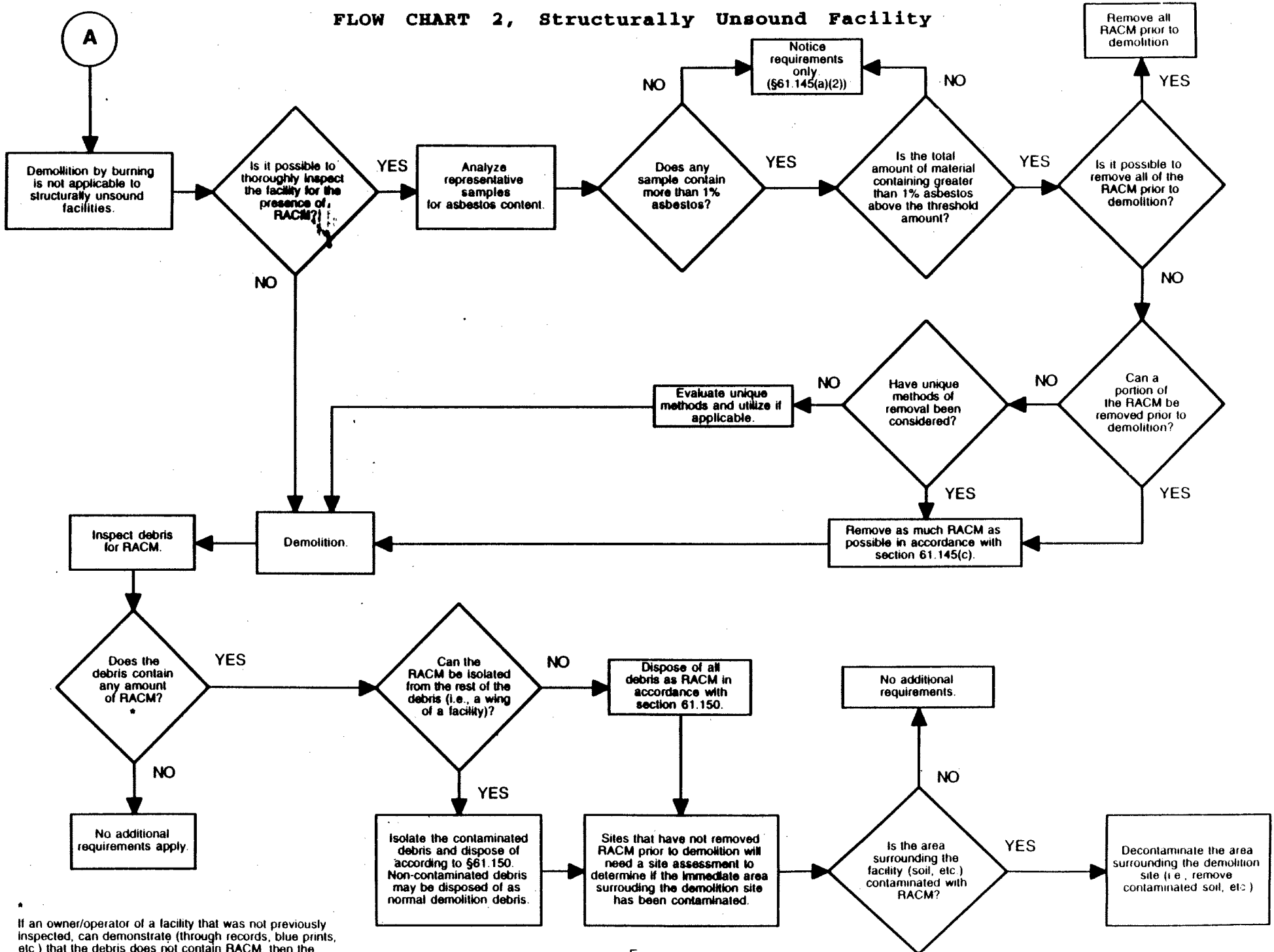
Demolitions ordered as part of one common project may in fact include facilities that are structurally sound. These facilities are not exempt from any of the requirements of the asbestos NESHAP. The owner/operator of such a facility is required to follow all the requirements of the asbestos NESHAP including inspection and notification and if applicable, abatement.

FLOW CHART 1



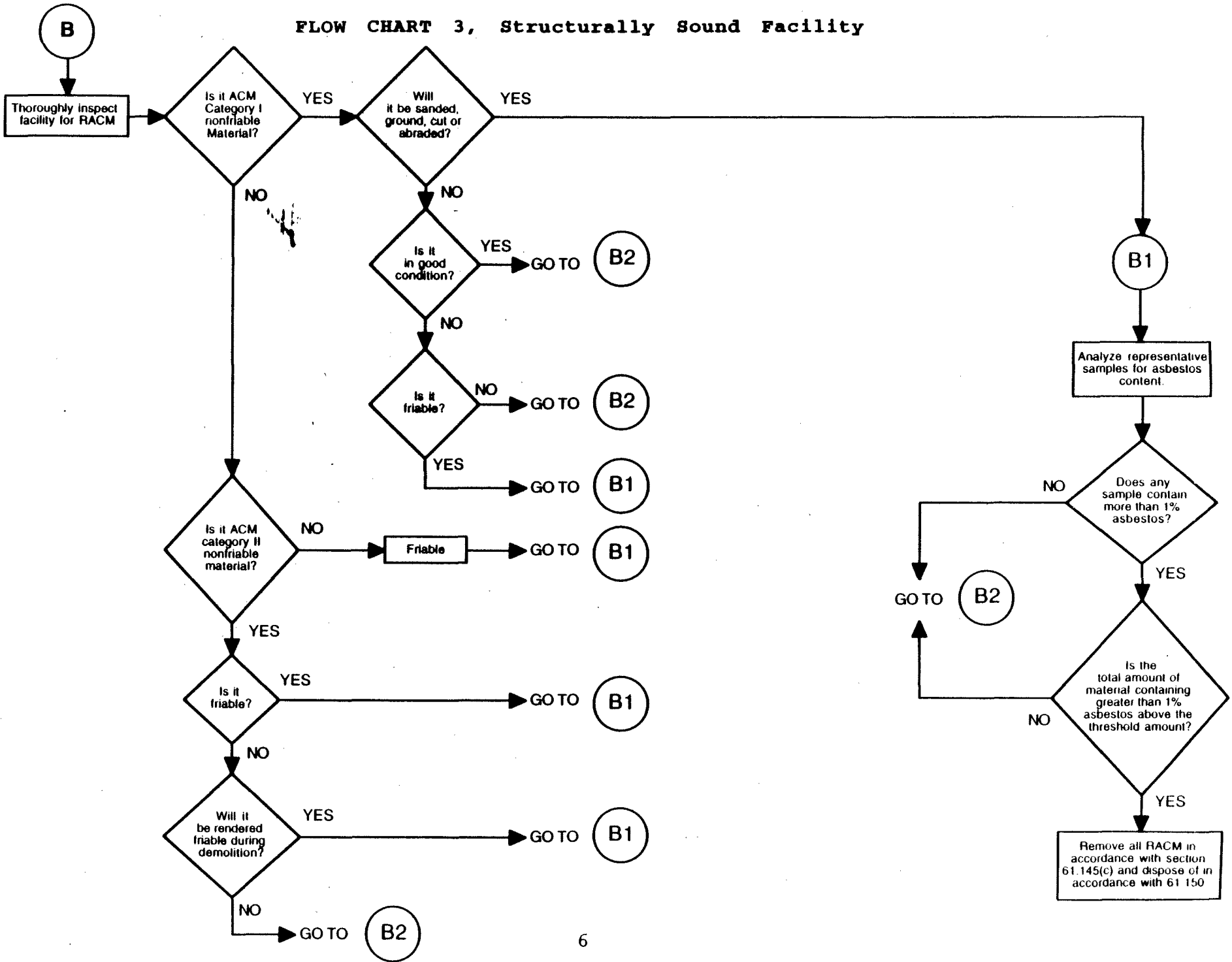
*
 The asbestos NESHAP requires the removal of all ACM if a facility that contains greater than the threshold amount of asbestos will be demolished by intentional burning. This requirement includes the removal of all Category I and Category II nonfriable ACM which for the purposes of intentional burning shall always be considered RACM (section 61.145 (c)).

FLOW CHART 2, Structurally Unsound Facility

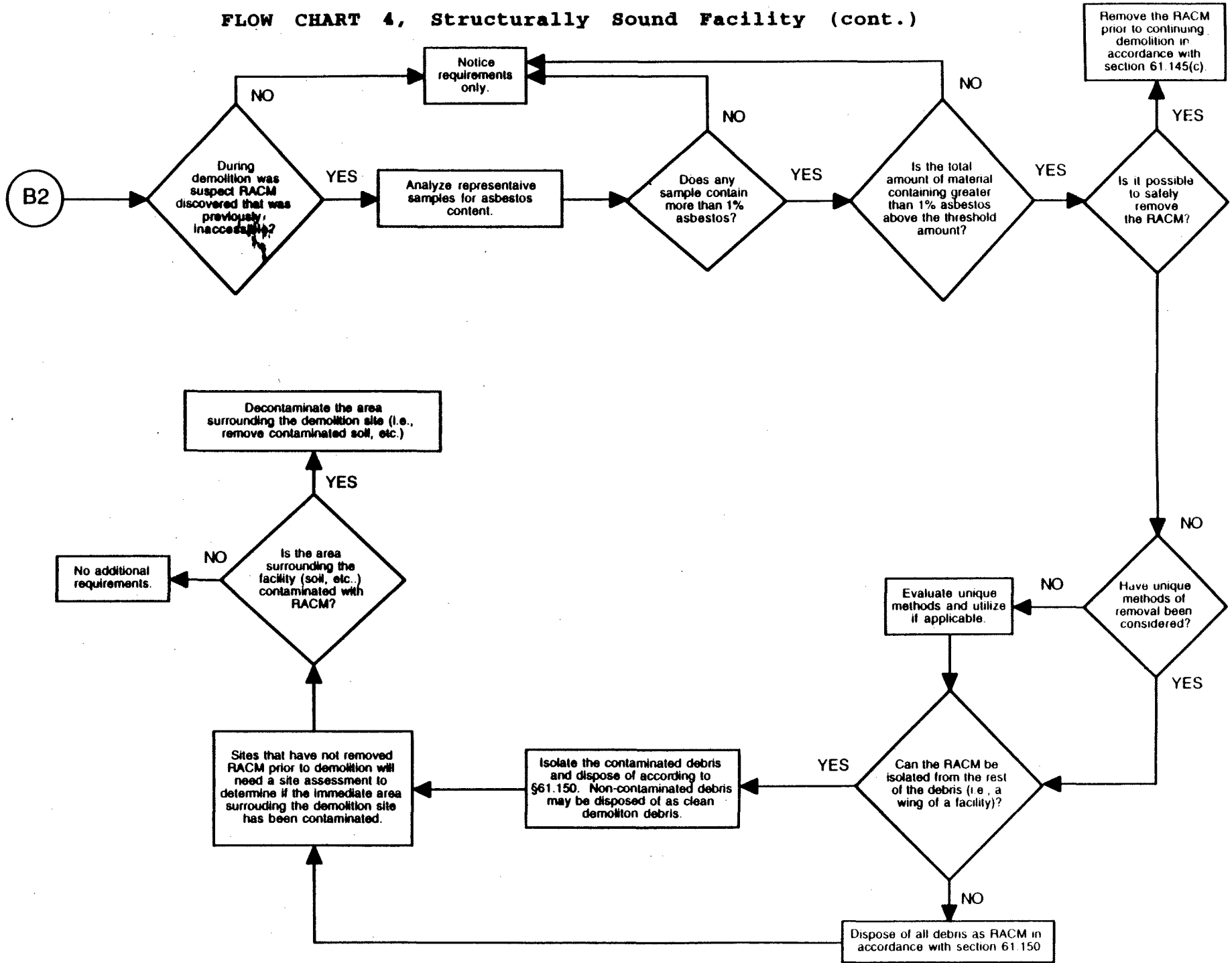


If an owner/operator of a facility that was not previously inspected, can demonstrate (through records, blue prints, etc.) that the debris does not contain RACM, then the disposal requirements of the NESHAP may not apply

FLOW CHART 3, Structurally Sound Facility



FLOW CHART 4, Structurally Sound Facility (cont.)



Buildings declared unsafe (ordered by a State or local governmental agency) and in danger of collapse as a result of some emergency such as a fire, earthquake or other disaster, must typically be demolished immediately and cannot await an inspection by EPA. Section 61.145 (a)(3) of 40 CFR gives certain exemptions to the requirements of the asbestos NESHAP only when the facility is structurally unsound and in danger of imminent collapse. However, with respect to the procedures for emission control, ordered demolitions are subject to paragraphs (c)(4) through (c)(9) of section 61.145. Additionally, paragraphs (b)(1), (b)(2), (b)(3)(iii), (b)(4) (except (b)(4)(viii)), and (b)(5) of section 61.145 still apply to ordered demolitions.

To discourage abuse of this provision, the notification that is submitted must identify the government representative who ordered the demolition, the date the order was issued and the date demolition was ordered to begin. Representatives from a qualified governmental agency typically make those determinations.

If the appropriate agency is unable to make such a determination (e.g., due to lack of resources or personnel) it may be appropriate for that agency to retain the services of a private contractor or State regulatory agency to make the determination.

Conversely, it would be inappropriate for the owner/operator of a facility to retain the services of a private contractor or use in-house professionals to make such a determination because it would be in their best interest to have the building categorized as being structurally unsound in order to gain the exemptions and subsequent cost savings from not having to adhere to all of the requirements of the asbestos NESHAP.

V. Structurally Sound Facilities Undergoing Normal (other than intentional burning) Demolition

[Refer to Flow Charts 3 & 4]

A. Inspection of a Facility

A majority of inspections will be of structurally sound facilities undergoing normal (other than intentional burning) demolition. Guidance for demolitions can be found in A Guide to Normal Demolition Practices Under the Asbestos NESHAP (EPA 340/1-92-013, September 1992). Section 61.145 requires a thorough inspection of the affected facility prior to

demolition. The responsibility to thoroughly inspect lies with the owner/operator of the affected facility.

A thorough inspection includes identifying all asbestos containing materials present including Category I and II nonfriable ACM and the quantities to be affected, the nature of the demolition and the steps that will be taken to control any release of fibers. Guidance for inspections can be found in EPA's Guidelines for Asbestos NESHAP Demolition and Renovation Inspection Procedures (EPA 340/1-90-007, November 1990, (Revision)).

EPA requires inspectors in the regulated community to attend and pass the 3-day Building Inspectors Course under 40 CFR Part 763, the revised Asbestos Model Accreditation Plan (MAP) as mandated by section 15(a)(3) of the Asbestos School Hazard Abatement Reauthorization Act (ASHARA).

B. Material Identification and Analysis

Category I nonfriable material that has not been or will not be subjected to sanding, cutting or abrading and will not become friable during demolition and subsequent clean-up and disposal is not subject to the handling requirements of the asbestos NESHAP.

Category II nonfriable material that is not friable and will not become friable (crumbled, pulverized, or reduced to powder) during demolition and subsequent clean-up is not subject to the handling requirements of the asbestos NESHAP.

Once all suspect RACM is identified, and it is determined that the facility contains greater than the threshold amount (260 linear feet, 160 square feet or 35 cubic feet), the material(s) should be assumed to be RACM, or sampled and analyzed to verify that RACM is or is not present.

If either the suspect amount of asbestos is below the threshold amount or the asbestos content of the representative sample(s) contain less than one percent, only the ~~notice~~ requirements listed at 40 CFR 61.145(a)(3) apply.

C. Removal of RACM Prior to Demolition

If RACM exists in quantities above the threshold amount, then all the RACM must be removed prior to demolition. RACM may include Category I nonfriable material that is friable or

is likely to be subjected to sanding, grinding, cutting, abrading, or burning during demolition. Most normal demolition techniques will not require the removal of Category I nonfriable ACM that is not in poor condition and is not friable prior to the demolition. However, waste consolidation methods both at the demolition site and at the disposal site may render these materials friable. RACM may also include Category II nonfriable material that has a high probability of becoming crumbled, pulverized or reduced to powder by the forces expected to act on the material during the course of the demolition. Most Category II nonfriable ACM is expected to become RACM during demolition. EPA recommends that all Category II nonfriable ACM be removed prior to demolition to avoid any further requirements of the asbestos NESHAP.

D. Discovery of RACM During Demolition

Suspect RACM that is discovered during demolition which was previously inaccessible must be sampled and analyzed for its asbestos content when the combined amount of suspect RACM (the amount of RACM identified during the initial inspection and the amount of newly discovered suspect material) is above the threshold amount.

If the threshold amount is exceeded and the samples tested contain more than one percent asbestos, all of the RACM must be removed if possible. If the asbestos cannot be safely removed, the asbestos-containing material must be kept wet and the entire waste pile (or the portion that contains asbestos-containing waste material) must be disposed of as asbestos-containing waste material in accordance with 40 CFR 61.150. The cost of disposing of the entire contaminated waste pile as asbestos waste should discourage contractors from this as a means to avoid the removal requirements of the asbestos NESHAP.

When the combined amount of suspect RACM (the combined amount of RACM identified during the inspection and the amount of newly discovered material) is less than the threshold amount or the samples of intact material (not samples of contaminated waste) contain less than one percent of asbestos, only the notice requirements found in 40 CFR 61.145(a)(3) would apply to the demolition.

E. Evaluation of Unique Methods for Removing RACM

When newly discovered RACM is difficult or "impossible" to remove, innovative methods of removal should be evaluated and used if applicable. These unique methods might include

the use of equipment such as cranes, a specially adapted grappling bucket (Bainbridge Case Study, see Appendix A) or temporarily shoring up a structure. If unique methods have not been considered by the contractor, the demolition should not continue while the RACM remains in place until unique methods have been considered and determined to be infeasible.

When the asbestos cannot be safely removed, the asbestos-containing material must be kept wet and the entire asbestos contaminated waste pile (or the portion that is contaminated) must be disposed of as asbestos-containing waste material in accordance with 40 CFR 61.150.

F. Isolating RACM Contaminated Debris

Sometimes RACM is identified in only one room of a facility or a wing of a facility. Contaminated debris can be isolated must still be disposed of in accordance with 40 CFR 61.150 of the asbestos NESHAP while the remainder of the debris (non-contaminated) may be disposed of as normal "clean" demolition debris. This determination should be made based on a visual inspection and analyses of samples of the waste. If any asbestos contamination is found in an area (even below one percent) then the waste must be disposed of in accordance with section 61.150, unless the owner/operator of the affected facility can demonstrate that the intact material contained less than one percent.

G. Site Assessment

Any facility that undergoes demolition without removing all of the RACM should undergo a site assessment to determine if the immediate area surrounding the facility has been contaminated with asbestos.

A site assessment should include but is not limited to a visual evaluation and a comprehensive soil sampling scheme to determine compliance with the asbestos NESHAP. The degree of testing should be evaluated on a case-by-case basis.

H. Decontamination of Demolition Site

If the surrounding soil has been contaminated by the demolition activities at the site, the site must be cleaned up to background levels of asbestos contamination. Alternatively, the site may be operated in accordance with section 61.154 (Standard for active waste disposal sites) and closed in accordance with section 61.151 (Standard for

inactive waste disposal sites for asbestos mills and manufacturing and fabricating operations). However, according to 40 CFR 61.05, the establishment of an active waste site requires prior approval from EPA or the delegated State program. To clean up the site to background levels, it will probably be necessary to remove all the asbestos contaminated soil. The contaminated soil should be treated and disposed of as asbestos-containing waste material.

VI. DEMOLITION OF STRUCTURALLY UNSOUND FACILITIES

[Refer to Flow Chart 2]

A. Demolition of Structurally Unsound Facilities

Facilities declared unsafe and in danger of imminent collapse as a result of some emergency such as a fire, earthquake or other disaster can not be demolished by means of fire because of the inability to properly inspect such facilities for the presence of asbestos.

A representative from a qualified governmental agency typically makes this declaration.

B. Inspection of Facility

Facilities declared unsafe because of some emergency such as fire, earthquake or other disaster can often be dangerous if not impossible for regulatory inspectors to enter and EPA would not expect an inspector to enter such an environment.

Some facilities that are too dangerous to enter may contain suspect RACM (e.g., roofing, siding, etc.) that can be easily identified without entering the facility.

In some cases, a facility is declared unsafe when only one wall or a portion of a facility is unsound. Occasionally a facility is made unsound when the key structural load supporting members from the facility are intentionally removed to avoid the inspection and removal (if applicable) requirements of the asbestos NESHAP. In such cases the owner/operator of that facility can:

- Make the facility safe to enter by knocking down the portion that is unsafe or temporarily shoring up the structure, thus allowing the inspector to go in to conduct a thorough inspection, subsequently triggering abatement if applicable.

- Identify materials in the safe portion of the facility that are suspect and abate if applicable. Unsafe portions of the facility (portions that can not be safely inspected) should be carefully pulled down while applying adequate amounts of water to control any visible emissions.

- Assume the entire facility or the portion that was not thoroughly inspected to be asbestos and properly handle and dispose of all the demolition debris as asbestos-containing waste material.

Any portion of a facility that can be safely entered should be thoroughly inspected. A thorough inspection includes identifying all asbestos containing materials present including Category I and II nonfriable ACM and the quantities to be affected, the nature of the demolition and the steps that will be taken to control any release of fibers.

EPA requires that inspectors in the regulated community attend and pass the 3-day Building Inspectors Course under 40 CFR Part 763, the revised Asbestos Model Accreditation Plan (MAP) as mandated by section 15(a)(3) of the Asbestos School Hazard Abatement Reauthorization Act (ASHARA).

C. Material Identification and Analysis

Before demolition may begin, all suspect ACM (all material that can be safely examined) must be identified, including Category I and II nonfriable material. Once all suspect RACM is identified, and it is determined that a facility contains greater than the threshold amount (260 linear feet, 160 square feet or 35 cubic feet), the material(s) should be assumed to be RACM, or sampled (in the safe portion of the facility) and analyzed to verify that RACM is or is not present.

Category I nonfriable material that has not been or will not be subjected to sanding, cutting or abrading and will not become friable during demolition and subsequent clean-up is not ~~subject~~ subject to the handling requirements of the asbestos NESHAP.

Category II nonfriable material that is not friable and has not or will not become friable (crumbled, pulverized, or reduced to powder) during demolition and subsequent clean-up is not subject to the handling requirements of the asbestos NESHAP.

If either the suspect amount of asbestos is below the threshold amount or the asbestos content of the representative sample(s) contains less than one percent, only the notice requirements listed at 40 CFR 61.145(a)(3) apply.

D. Removal of RACM Prior to Demolition

RACM that exists in quantities above the threshold amount (that can be safely removed) must be removed prior to demolition. RACM may include Category I nonfriable material that is friable or is likely to be subjected to sanding, grinding, cutting, or abrading during demolition. Most normal demolition techniques will not require the removal of Category I nonfriable ACM that is not in poor condition and is not friable prior to the demolition. However, waste consolidation methods both at the demolition site and at the disposal site may render these materials friable. RACM may also include Category II nonfriable material that has a high probability of becoming crumbled, pulverized or reduced to powder by the forces expected to act on the material during demolition. Most if not all Category II nonfriable ACM is expected to become RACM during demolition. EPA recommends that all Category II nonfriable ACM be removed prior to demolition to avoid any further requirements of the asbestos NESHAP.

E. Evaluation of Unique Methods for Removing RACM

When RACM is difficult or "impossible" to remove, innovative methods of removal should be evaluated and used if applicable. These unique methods might include the use of equipment such as cranes or a specially adapted grappling bucket (Bainbridge Case Study, see appendix A). If unique methods have not been considered by the contractor, the demolition should not continue while the RACM remains in place until unique methods have been considered and determined to be infeasible.

When the asbestos cannot be safely removed, the asbestos-containing material must be kept wet and the entire asbestos contaminated waste pile (or the portion that is contaminated) must be disposed of as asbestos-containing waste material in accordance with 40 CFR 61.150.

F. Post Demolition Inspection for RACM Contaminated Debris

Demolition debris from a facility that is demolished without an inspection or demolished with RACM in place must be inspected. All ACM material must be identified and treated properly.

Debris that is inspected and found to contain any amount of RACM is assumed to be entirely contaminated unless the owner/operator of the facility can demonstrate through building and/or maintenance records that the facility either contains no asbestos or that the quantities are less than the threshold amount or the contaminated debris can be sufficiently isolated from the majority of the demolition debris.

G. Isolating RACM Contaminated Debris

Sometimes RACM is identified in only one room of a facility or a wing of a facility. Contaminated debris that can be isolated should be disposed of in accordance with section 61.150 of the asbestos NESHAP while the remainder of the debris (non-contaminated debris) can be disposed of as normal "clean" demolition debris. This determination should be based on a visual inspection and sampling and analysis of the debris. If any asbestos contamination is found in an area (even below one percent), the waste must be disposed of in accordance with section 61.150, unless the owner/operator of the affected facility can demonstrate that the intact material contained less than one percent.

H. Site Assessment

Any facility that undergoes demolition without removing all of the RACM should undergo a site assessment to determine if the immediate area surrounding the facility has been contaminated with asbestos.

A site assessment should include but is not limited to a visual ~~evaluation~~ and a comprehensive soil sampling scheme to determine compliance with the asbestos NESHAP. The degree of testing should be evaluated on a case-by-case basis.

I. Decontamination of Area Surrounding Demolition Site

If a site assessment detects contamination of soil surrounding a demolition site, the site must be cleaned up to background levels of asbestos contamination. Alternatively, the site may be operated in accordance with 40 CFR 61.154 (Standard for active waste disposal sites) and closed in accordance with 40 CFR 61.151 (Standard for inactive waste disposal sites for asbestos mills and manufacturing and fabricating operations). However, according to 40 CFR 61.05, the establishment of an active waste site requires prior approval from EPA or the delegated State program. To clean up the site to background levels, it will probably be necessary to remove all the asbestos contaminated soil. The contaminated soil should be treated and disposed of as asbestos-containing waste material.

VII. DEMOLITION OF A FACILITY BY INTENTIONAL BURNING

[Refer to Flow Chart 1]

A. Inspection of Facility

In order for a facility to be demolished by burning, section 61.145 requires a thorough inspection of the affected facility prior to demolition.

EPA requires inspectors in the regulated community to attend and pass the 3-day Building Inspectors Course under 40 CFR Part 763, the revised Asbestos Model Accreditation Plan (MAP) as mandated by section 15(a)(3) of the Asbestos School Hazard Abatement Reauthorization Act (ASHARA).

B. Material Identification and Analysis

Before intentionally burning a facility, all suspect ACM must be identified including all Category I and II nonfriable material.

C. Removal of RACM Prior to Demolition

The asbestos NESHAP requires the removal of all ACM if a facility will be demolished by intentional burning. This requirement includes the removal of all Category I and II nonfriable ACM which for the purposes of intentional burning shall always be considered RACM (section 61.145(c)).

Appendix A.

CASE STUDY

The Bainbridge Naval Training Center

Background

The Bainbridge Naval Training Center (BNTC) near Port Deposit, Maryland, is a federal facility owned by the U.S. Navy occupying approximately 1,300 acres in a residential and rural area in northeast Maryland.

The BNTC was an active Navy facility from the early 1940s until 1976. On November 3, 1986, the U.S. Congress authorized the Secretary of the Navy to dispose of the Bainbridge facility by sale to private parties or transfer to other government agencies. Over 700 abandoned buildings and structures in various stages of dilapidation existed on the site. Congress specified that before any sale, the Secretary of the Navy was required to "restore such property to a condition that meets all applicable Federal and State of Maryland environmental protection regulations" Public Law 99-956.

Site Description

The buildings at the BNTC were mainly one to three story wood frame structures. A few of the buildings were masonry and several of the wood frame structures had concrete grade slabs. Some of the buildings contained friable asbestos in the form of boiler wrap and pipe lagging, while most buildings had asbestos-cement transite board (Category II non-friable ACM) on the exterior, the interior, or in both areas. Because of the age of the buildings, the lack of maintenance, exposure to the elements, and vandalism, the buildings at BNTC were in various stages of dilapidation. Some of the structures had collapsed entirely, while nearly all the other structures to be demolished had sustained some structural damage making thorough inspections difficult and in some cases impossible.

Navy's Preliminary Agreement with the State of Maryland

The Navy decided to turn the BNTC site over to the State of Maryland. In doing so, the Navy agreed as mandated by Congress to "restore the property to a condition that meets all applicable Federal and State of Maryland environmental protection regulations." The restoration activities included demolition and clean-up at the BNTC site. The Navy contracted a private demolition company to demolish and clean-up the BNTC site. Before EPA's involvement, most buildings that were standing at the BNTC had only friable asbestos insulation removed prior to demolition.

Regulatory Inspections

During several inspections of the BNTC site in 1991, EPA inspectors observed that the demolition activities were being conducted in violation of the notification, demolition, emission control, and disposal requirements of the asbestos NESHAP. The transite material found on the exterior and interior of most buildings was initially thought by the State of Maryland and the Navy to be exempt from the requirements of the asbestos NESHAP. The intent of EPA to regulate the demolition of buildings containing transite material (asbestos-cement material) is expressed in the preamble to the final promulgation of the asbestos NESHAP published November 20, 1990, 55 FR 48408. EPA's applicability determination of January 8, 1992, was made to further clarify what types of activities are likely to cause Category II nonfriable ACM to become RACM.

The Navy then conducted an inspection of the BNTC and concluded that all but four of the buildings were structurally unsound. The buildings were inspected by the Navy and categorized into four classes:

Remedial Class 1: a building requiring removal of all friable asbestos (primarily insulation materials) but which will not be demolished.

Remedial Class 2: a building requiring pre-demolition "removal of friable asbestos from parts of the structure that can be safely entered."

Remedial Class 3: a building that has collapsed or is structurally unsound in its present condition and is to be demolished "as is," with the debris treated as asbestos-containing waste material.

Remedial Class 4: a building requiring no action.

The Navy Categorized most of the buildings as remedial Class 3, therefore buildings were demolished "as is," with no abatement prior to demolition and the debris was treated as asbestos containing material.

Application of Demolition Decision Tree to the BNTC

The Demolition Decision Tree is written in a generic format so that it can be applied to various demolition scenarios. The BNTC site because of the number and variety of buildings is a good example of how the application of the Decision Tree may help inspectors decide which of the NESHAP regulatory requirements are applicable to a given demolition.

In applying the decision tree to the BNTC site (beginning with Flow Chart 1), the inspector should first determine whether the demolition is an ordered demolition. If the demolition is not an ordered demolition, the facility is not exempt from any of the requirements of the asbestos NESHAP. When demolitions are "ordered," the inspector should determine if the order was made by an appropriate governmental agency. Although EPA does not have any criteria for such determinations, they should be made at the request of the regulating agency by registered engineers or building inspectors who are trained (qualified) to make such decisions. Ordered demolitions typically come from a governmental agency that regulates building safety. The fact that a facility is off limits or has been declared unusable, is insufficient grounds for allowing certain exemptions (section 61.145(a)(3)) to the requirements of the asbestos NESHAP. Prior to the start of demolition at the BNTC site, the Navy conducted their own survey and concluded that the vast majority of the buildings were structurally unsound. It should be obvious from Flow Chart 1, that the initial survey which was conducted by the Navy was inappropriate. The appropriate procedure in this situation would have been for the State of Maryland, EPA, or an independent contractor (agreed to by the regulatory agency and the Navy) to conduct a comprehensive survey of the affected facilities.

Structurally Unsound Facilities (Flow Chart 2)

Facilities declared structurally unsound and in danger of imminent collapse would move from Flow Chart 1 to Flow Chart 2. The buildings declared structurally unsound at the BNTC site were categorized as Remedial Class 3 buildings by the Navy.

Regulatory inspectors should then determine if it is possible for the owner/operator to inspect a facility or the portion that is safe for the presence of asbestos. If facilities or safe portions of facilities contain suspect RACM in amounts greater than the threshold amount, representative samples should be sampled and analyzed for asbestos content. If the samples contain more than one percent asbestos, inspectors should investigate the possibilities of removing all the RACM or RACM from the safe portions (Remedial Class 2) of the facility. Whenever possible, all RACM should be removed prior to demolition. When RACM is identified in facilities that have been declared unsafe, inspectors ~~shgld~~ should evaluate unique methods for removing the RACM. Unique methods may include the demolition of the portion deemed unsafe or temporarily shoring up the unsafe portion of the structure thereby creating a safe working environment allowing for proper inspection and abatement as applicable. Other unique methods might include the use of specially adapted demolition equipment. The demolition contractor at the BNTC site attempted to remove the transite siding with a modified grappling bucket. This method proved ineffective, forcing the demolition contractor

to remove as much of the transite material as deemed feasible by hand. If unique methods have not been considered by the contractor, the demolition should not continue while the RACM remains in place until unique methods have been considered and determined to be infeasible.

The lower portion of Flow Chart 2 should make it clear to an inspector that demolition debris from facilities not thoroughly inspected or debris from facilities demolished with RACM in place, must be thoroughly inspected. Debris containing any amount of asbestos (even below one percent) should be treated and disposed of as RACM in accordance with section 61.150. Non-contaminated material that can be isolated from asbestos contaminated waste may be disposed of as "clean" demolition debris in any landfill that normally accepts demolition material. Because the demolition techniques used at the BNTC site caused most if not all transite material (Category II nonfriable) to become RACM, the demolition debris was assumed to be entirely asbestos contaminated and was disposed of as RACM in accordance with the NESHAP. EPA inspectors observed that the demolition activities were being performed in violation of the emissions control requirements of the asbestos NESHAP (section 61.145(c)). The observed visible emissions at the BNTC site and the data obtained through air monitoring was enough evidence to expect some degree of contamination to the environment in and around the demolition sites. To fulfill its obligation to "restore such property to a condition that meets all applicable Federal and State of Maryland environmental protection regulations," the Navy was required to submit a comprehensive soil sampling protocol for determining possible site contamination levels at the BNTC site. The results of the soil sampling revealed contamination at those sites demolished with transite material in place. As a result of the contamination, the soil was removed and disposed of as asbestos containing waste material.

Lessons Learned

The BNTC case is a good example of how the application of the demolition decision tree would have prevented a lot of confusion as to which of the regulatory requirements were applicable to the demolition activities. Specifically, it could have made clear EPA's intent on regulating the demolition of buildings containing transite material.

Appendix B.

CASE STUDY

Jewel Lake Condominium
Anchorage, Alaska

Background

The Jewel Lake Condominium facility was a 20 unit, three-story structure that suffered extensive fire damage. The third floor and the main stairway were severely burned. Smoke and water damage were prevalent throughout the remainder of the building. It was declared a public nuisance and hazard by both the Alaska Department of Occupational Health and Safety (ADOHS) and the Municipality of Anchorage (MOA) Public Works Department, Division of Building Safety. It was condemned (ordered) by the MOA and declared unsafe due to the danger of imminent collapse.

A survey of the facility found extensive use of asbestos containing materials within the surviving portions of the building. The building contained 28 fire doors (containing Amosite) and 12,000 square feet of asbestos containing sprayed-on material (acoustical plaster).

The original demolition plan called for a complete knock-down of the structure. The plan also called for a backhoe to break up the debris before disposing of the entire debris pile as asbestos contaminated waste.

The building was located in a densely populated neighborhood and the work was to be conducted at temperatures below freezing which would make the application of adequate amounts of water impractical.

Application of Demolition Decision Tree

In applying the decision tree to the Jewel Lake Condominium site, an inspector should first confirm that the demolition was ordered by a qualified governmental agency. The Jewel Lake site was "ordered" by the ADOHS and the MOA. Both the ADOHS and the MOA conform with the definition of "qualified governmental agency." The inspector should then determine if the order was made because the facility is structurally unsound and in danger of imminent collapse. The Jewel Lake facility suffered extensive fire damage, causing the structure to become structurally unsound and in danger of imminent collapse as determined by a construction engineer working for the MOA. In addressing structurally unsound facilities in the Decision Tree move from Flow Chart 1 to Flow Chart 2.

A thorough inspection of the facility confirmed the presence of suspect asbestos containing materials in quantities above the

threshold amount. Subsequent analyses of the suspect materials confirmed the presence of asbestos. Using the middle section of Flow Chart 2 (unique methods), the inspector should determine if the utilization of unique methods will facilitate the removal of RACM before demolition. The "unique methods" used at the Jewel Lake site, included the knock-down and removal of only the damaged portion (unsafe portion) of the facility. This portion was removed with adequate amounts of water and disposed of entirely as asbestos contaminated material. The remaining intact portion of the facility was demolished and disposed of as normal debris after abatement of all the remaining RACM.

Lessons Learned

The application of the demolition decision tree to the Jewel Lake site would have clearly defined which portions of the asbestos NESHAP are applicable. The apparent confusion among the regulated and regulatory communities caused a five month delay in the demolition of the Jewel Lake facility. The Demolition Decision Tree guidance clearly states that even in cases where a facility is declared unsafe, all options of removing RACM should be considered. In the Jewel Lake case, the upper floor (the burned out portion) was removed, thereby creating a safe working environment. This allowed for the proper abatement of all the remaining RACM prior to the demolition. Removing the damaged portion of the Jewel Lake facility avoided the near certain contamination to the surrounding neighborhood that would have occurred considering the proposed work plan.

PENALTY ASSESSMENT CRITERIA

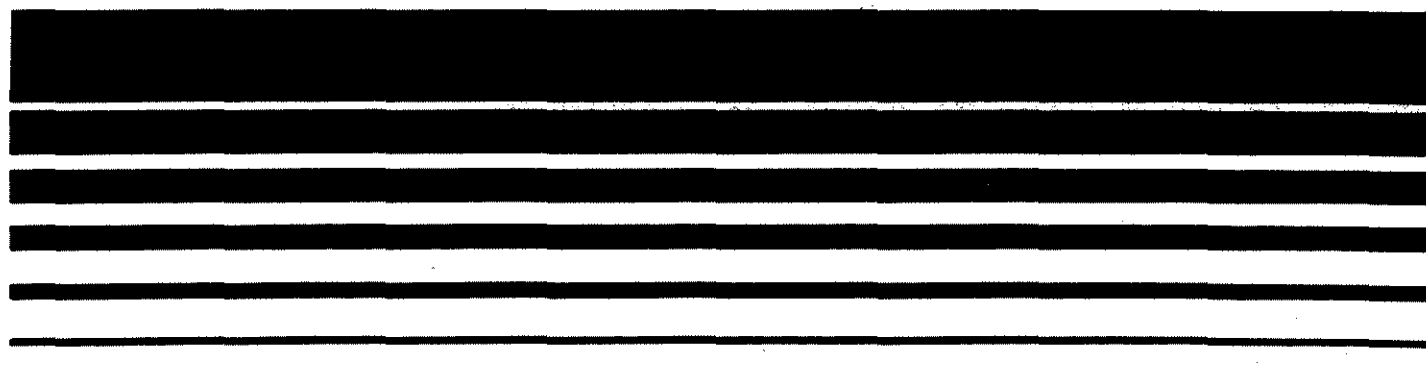
Clean Air Act Section 113(e) — 42 U.S.C. §7413(e)

1. Size of the Business
2. Economic Impact of the Penalty on the Business
3. Violator's Full Compliance History and Good Faith Efforts to Comply
4. Duration of the Violation as Established by Any Credible Evidence
5. Payment by the Violator of Penalties Previously Assessed for the Same Violation
6. Economic Benefit of Noncompliance
7. Seriousness of the Violation
8. Such Other Factors as Justice May Require

Stationary Source Compliance Series



A Guide to Normal Demolition Practices Under the Asbestos NESHAP



NESHAP

EPA - 340/1-92-013

**A Guide to Normal
Demolition Practices Under
the Asbestos NESHAP**

(TRC Ref. No. 1-456-019)

**U.S. ENVIRONMENTAL PROTECTION AGENCY
Office of Air Quality Planning and Standards
Stationary Source Compliance Division
Washington, DC 20460**

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DISCLAIMER

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SECTION 1

DEMOLITION PRACTICES AND NONFRIABLE MATERIALS

INTRODUCTION

EPA revised the asbestos NESHAP regulations on November 20, 1990 (see 40 CFR Part 61 Subpart M). Although the NESHAP has not been revised to alter its applicability to friable and nonfriable asbestos-containing materials (ACM), nonfriable asbestos materials are now classified as either Category I or Category II material.

Category I material is defined as asbestos-containing resilient floor covering, asphalt roofing products, packings and gaskets. Asbestos-containing mastic is also considered a Category I material (EPA determination - April 9, 1991). Category II material is defined as all remaining types of non-friable ACM not included in Category I that, when dry, cannot be crumbled, pulverized, or reduced to powder by hand pressure. Nonfriable asbestos-cement products such as transite are an example of Category II material.

The asbestos NESHAP specifies that Category I materials which are not in poor condition and not friable prior to demolition do not have to be removed, except where demolition will be by intentional burning. However, regulated asbestos-containing materials (RACM) and Category II materials that have a high probability of being crumbled, pulverized, or reduced to powder as part of demolition must be removed before demolition begins.

PURPOSE

EPA has identified a need to address how specific demolition practices affect Category I and II nonfriable ACM. The purpose of this manual is to provide asbestos NESHAP inspectors with such information.

This manual is intended to apply primarily to demolition and cleanup activities for buildings that contain Category I nonfriable ACM. Although references will be made to Category II nonfriable ACM, for the purposes of this document, it and all other RACM will be assumed to have been removed prior to the start of actual demolition activities. Work practices associated solely with building renovations will not be addressed.

This manual is designed to assist the asbestos NESHAP inspector in identifying practices that normally do or do not make Category I nonfriable ACM become regulated asbestos-containing material (RACM). Applicability determinations (both formal and informal) provided by the Regional NESHAP Coordinators have been incorporated into the appropriate sections of this document in an effort to promote nationwide consistency in applying the asbestos NESHAP to these demolition practices.

Activities associated with site cleanup such as segregation, reduction, and on and offsite disposal of ACM are discussed because they may take place during or after the major demolition activities at a site and consequently may influence a demolition contractor's choice of methods.

DEFINITIONS

The following definitions taken from the November 20, 1990 revision of the asbestos NESHAP regulation are provided for ease of reference.

Adequately wet means sufficiently mix or penetrate with liquid to prevent the release of particulates. If visible emissions are observed coming from asbestos-containing material, then that material has not been adequately wetted. However, the absence of visible emissions is not sufficient evidence of being adequately wet.

Asbestos-containing waste materials means mill tailings or any waste that contains commercial asbestos and is generated by a source subject to the provisions of this subpart. This term includes filters from control devices, friable asbestos waste material, and bags or other similar packaging contaminated with commercial asbestos. As applied to demolition and renovations operations, this term also includes regulated asbestos-containing material waste and materials contaminated with asbestos including disposable equipment and clothing.

Category I nonfriable asbestos-containing material (ACM) means asbestos-containing packings, gaskets, resilient floor covering, and asphalt roofing products containing more than one percent asbestos as determined using the method specified in appendix A, subpart F, 40 CFR part 763, section 1, Polarized Light Microscopy.

Category II nonfriable ACM means any material, excluding Category I nonfriable ACM, containing more than one percent asbestos as determined using the methods specified in appendix A, subpart F, 40 CFR part 763, section 1, Polarized Light Microscopy that, when dry, cannot be crumbled, pulverized, or reduced to powder by hand pressure.

Cutting means to penetrate with a sharp-edged instrument and includes sawing, but does not include shearing, slicing, or punching.

Demolition means the wrecking or taking out of any load-supporting structural member of a facility together with any related handling operations or the intentional burning of any facility.

Facility means any institutional, commercial, public, industrial, or residential structure, installation, or building (including any structure, installation, or building containing condominiums or individual dwelling units operated as a residential cooperative, but excluding residential buildings having four or fewer dwelling units); any ship; and any active or inactive waste disposal site. For purposes of this definition, any building, structure, or installation that contains a loft used as a dwelling is not considered a residential structure, installation, or building. Any structure, installation or building that was previously subject to this subpart is not excluded, regardless of its current use or function.

Facility component means any part of a facility including equipment.

Friable asbestos material means any material containing more than one percent asbestos as determined using the method specified in appendix A, subpart F, 40 CFR part 763 section 1, Polarized Light Microscopy, that, when dry, can be crumbled, pulverized, or reduced to powder by hand pressure. If the asbestos content is less than 10 percent as determined by a method other than point counting by polarized light microscopy (PLM), verify the asbestos content by point counting using PLM.

Grinding means to reduce to powder or small fragments and includes mechanical chipping or drilling.

In poor condition means the binding of the material is losing its integrity as indicated by peeling, cracking, or crumbling of the material.

Inactive waste disposal site means any disposal site or portion of it where additional asbestos-containing waste material has not been deposited within the past year.

Installation means any building or structure or any group of buildings or structures at a single demolition or renovation site that are under the control of the same owner or operator (or owner or operator under common control).

Nonfriable asbestos-containing material means any material containing more than one percent asbestos as determined using the method specified in appendix A, subpart F, 40 CFR part 763, section 1, Polarized Light Microscopy, that, when dry, cannot be crumbled, pulverized, or reduced to powder by hand pressure.

Owner or operator of a demolition or renovation activity means any person who owns, leases, operates, controls, or supervises the facility being demolished or renovated or any person who owns, leases, operates, controls, or supervises the demolition or renovation operation, or both.

Planned renovation operations means a renovation operation, or a number of such operations, in which some RACM will be removed or stripped within a given period of time and that can be predicted. Individual nonscheduled operations are included if a number of such operations can be predicted to occur during a given period of time based on operating experience.

Regulated asbestos-containing material (RACM) means (a) Friable asbestos material, (b) Category I nonfriable ACM that has become friable, (c) Category I nonfriable ACM that will be or has been subjected to sanding, grinding, cutting, or abrading, or (d) Category II nonfriable ACM that has a high probability of becoming or has become crumbled, pulverized, or reduced to powder by the forces expected to act on the material in the course of demolition or renovation operations regulated by this subpart.

Remove means to take out RACM or facility components that contain or are covered with RACM from any facility.

Renovation means altering a facility or one or more facility components in any way, including the stripping or removal of RACM from a facility component. Operations in which load-supporting structural members are wrecked or taken out are demolitions.

Resilient floor covering means asbestos-containing floor tile, including asphalt and vinyl floor tile, and sheet vinyl floor covering containing more than one percent asbestos as determined using polarized light microscopy according to the method specified in appendix A, subpart F, 40 CFR part 763, Section 1, Polarized Light Microscopy.

Strip means to take off RACM from any part of a facility or facility components.

Visible emissions means any emissions, which are visually detectable without the aid of instruments, coming from RACM or asbestos-containing waste material, or from any asbestos milling, manufacturing, or fabricating operation. This does not include condensed, uncombined water vapor.

Waste generator means any owner or operator of a source covered by this subpart whose act or process produces asbestos-containing waste material.

Waste shipment record means the shipping document, required to be originated and signed by the waste generator, used to track and substantiate the disposition of asbestos-containing waste material.

SECTION 2

PRE-DEMOLITION BUILDING STATUS

This section discusses several factors that can affect the approach to demolition taken by a demolition contractor. It is being included because events that have taken place prior to the start of actual demolition work can influence the methodology(ies) chosen by demolition contractors. These events can be evaluated by an inspector, allowing for prediction of "hidden" potential problem areas. Reinforcement and clarification of applicable components of the asbestos NESHAP regulations are also included in this section.

STATE AND LOCAL REGULATIONS

State and local asbestos regulations are sometimes more stringent than the asbestos NESHAP regulations. This does not imply, however, that Category I nonfriable ACM is necessarily removed from a building prior to demolition. Contractors surveyed during research conducted in the preparation of this manual indicated that they typically treated Category I nonfriable ACM as RACM only when the owner or operator of the building being demolished was a state or local government agency or when project specifications explicitly specified that one or more of the Category I nonfriable ACM materials be removed prior to the start of demolition.

UNSAFE BUILDING DECLARATIONS

Several contractors surveyed utilized state or local mechanisms to have buildings declared unsafe as a means to avoid NESHAP requirements during and after demolition activities. However, a State or local agency should not issue a demolition order unless the facility is structurally unsound and in danger of imminent collapse. These conditions should be confirmed independently, and a demolition order should not be based solely on the representation of the contractor or the contractor's agent. Although issuance of a demolition order may have an effect on notification requirements under the asbestos NESHAP (see §61.145(a)(3)), it has no effect on requirements for disposal procedures for RACM after demolition activities. Also, waste segregation/reduction activities, addressed in Section 5 of this manual, are subject to the asbestos NESHAP provisions whether or not a building has been declared unsafe.

ABATEMENT PRIOR TO DEMOLITION

Demolition contractors typically require that a building owner/operator accept responsibility for the removal of all asbestos-containing materials found during the building inspection prior to the start of demolition activities. Several contractors indicated that if suspect ACM became exposed during demolition activities, and there was no prior knowledge of its existence at the start of demolition activities, that potential asbestos NESHAP requirements would be disregarded unless a change order was immediately processed by the owner/operator

requesting the time and materials necessary to achieve compliance with the asbestos NESHAP. Such practices are in direct violation of the asbestos NESHAP.

INTENTIONAL BURNING

As stated in the November 1990 asbestos NESHAP revision (see §61.145(c)(10)):

"If a facility is demolished by intentional burning, all RACM, including Category I and Category II nonfriable ACM, must be removed in accordance with the NESHAP before burning."

Abandoned buildings utilized by fire departments for practice exercises involving partial burning are subject to this requirement.

For buildings which are still structurally sound but which have previously been subjected to partial or total, intentional or unintentional burning, an inspection for the condition of all ACM should be conducted. Category I ACM should be examined for friability and condition. Friable materials or Category I materials that are friable and in poor condition must be removed prior to any further demolition activity.

SECTION 3

DEMOLITION PRACTICES BY TYPE OF ACM

INTRODUCTION

For many years now the applicability of the asbestos NESHAP to demolitions involving Category I nonfriable ACMs (packings, gaskets, resilient floor coverings and mastic, and asphaltic roofing materials) has been the topic of much debate. Since significant amounts of airborne asbestos fibers are not believed to be produced from such materials during normal demolition activities, however, the asbestos NESHAP, in most cases, does not require their removal prior to demolition.

Category I materials are considered RACM only when they "will be or have been subjected to sanding, grinding, cutting, or abrading", they are in "poor condition" and "friable", or the structure in which they are located will be demolished by burning. (Definitions for these terms and additional information concerning Category I nonfriable ACM can be found in the preamble to the November 1990 revised asbestos NESHAP (SUPPLEMENTARY INFORMATION, Section IV - Significant Comments..., *Demolition and Renovation*, Nonfriable ACM and Broken ACM).

The following information details specific pre-demolition and demolition practices and their impact on Category I nonfriable ACM. The information has been compiled from telephone surveys of demolition contractors, the viewing of activities at a number of demolition sites, and formal and informal EPA applicability determinations. The effects of various demolition practices on asbestos-cement products are also discussed. Since the applicability of the asbestos NESHAP to Category II nonfriable materials is determined on a case-by-case basis, it is hoped that this additional information will help foster nationwide consistency in the application of the regulation to these materials.

As you will see, many of the various demolition techniques described do not, by themselves, cause Category I nonfriable ACM to become RACM. However, in many cases, post-demolition waste consolidation, cleanup, and recycling efforts can cause both Category I nonfriable ACM and Category II nonfriable ACM to become RACM. If that is likely to happen, such materials must be considered RACM and be treated as such. Post-demolition activities which can affect Category I and II materials will be detailed later in this manual.

RESILIENT FLOOR COVERING (TILES)

Depending on the types of activities occurring at a demolition site, floor tiles (and mastic) may or may not become subject to the provisions of the asbestos NESHAP.

Pre-demolition Floor Tile Removal

Although not usually required by the asbestos NESHAP, removal of asbestos-containing resilient floor tiles may occur prior to demolition. Such removal may be required when the substrate to which the floor covering is attached (particle board, wood, concrete) is to be recycled or salvaged.

Since the presence of mastic is not desirable on materials intended for resale or recycling, contractors use a variety of methods to remove this material as well.

A wide variety of floor tile removal methods exists, some of which cause the floor tiles and mastic to become RACM and subject to the provisions of the asbestos NESHAP. The following describes various removal methods and the applicability of the asbestos NESHAP to them.

Water/Amended Water/Solvents

Water, amended water, or solvents may be spread onto floor tiles in order to loosen them. After a period of soaking, the tiles may be removed using long-handled scrapers (ice chippers), or gas- or electrically-powered mechanical chisels. In cases where tile breakage is minimal, the floor tiles are not considered RACM. However, where breakage is extensive, the tiles are RACM and are subject to the provisions of the asbestos NESHAP.

Dry Ice

Although rarely used for this purpose nowadays, dry ice (frozen carbon dioxide) can be used to remove floor tiles. When dry ice is applied to the tiles, the intense cold causes the tiles to contract and detach from the substrate. As long as the tiles are not extensively damaged, they are not considered RACM.

Infrared Machines

Infrared machines may be used in the removal of floor tiles. These machines heat the flooring, thereby softening the tiles and adhesive, and allow for its easy removal. Since most tiles detach intact, they are not friable, and therefore are not considered RACM.

Shot-blasters

Shot-blasters are sometimes used in the removal of floor tiles. These machines direct a barrage of small pellets (shot) against the tiles and continually vacuum up and separate the mixture of pulverized tile and pellets. The pellets are reused immediately and the pulverized materials are segregated for disposal. EPA allows the use of shot-blasters only on wetted floor tiles. Floor tiles and mastic removed by shot-blasters are considered RACM and are therefore subject to the asbestos NESHAP.

Demolition with Floor Tiles in Place

Since ordinary demolition activities do not include the sanding, grinding, cutting and abrading of floor tiles, floor tiles and associated mastic that are not in poor condition and not friable are not considered RACM and are allowed to remain in place during demolition.

ASPHALT ROOFING PRODUCTS

The pre-demolition terms and conditions (governmental regulations, contract specifications) discussed in Section 2 also influence the handling of asbestos-containing roofing materials.

Pre-demolition Roof Removal

If preliminary assessment has determined that roofing materials contain asbestos, and regulations or contract specifications dictate removal of such material prior to demolition, licensed abatement contractors may be required to do the removal. Alternatively, the demolition contractor may undertake the operation.

Roofs may be removed in a variety of ways. Demolition personnel may use sledge hammers, pry bars, axes, adzes, shovels, ice chippers and roof-cutting saws to remove the roofing materials. They also may use tractor-mounted rotating blade cutters, power plows and power slicers. Use of roof-cutting saws, either hand- or power-driven, or tractor-mounted, are of great concern, since they can generate asbestos-containing dust from roofing materials. The sawing of Category I nonfriable ACM roofing material and the debris created by the sawing are regulated by the asbestos NESHAP. Since power plows and power slicers do not sand, grind, cut or abrade the roofing materials, their use and resultant debris are not subject to the asbestos NESHAP regulation. Category I nonfriable ACM roofing squares that have been decontaminated may be disposed of with other demolition debris or at an asbestos landfill.

Demolition with Roofing Materials in Place

Since demolition activities do not include sanding, grinding, cutting, or abrading, Category I asbestos-containing roofing materials not in poor condition and not friable are not considered RACM and are allowed to remain in place during demolition.

ASBESTOS-CEMENT PRODUCTS

Asbestos-cement products (such as transite) are commonly used for duct insulation, pipes, and siding. Being a Category II nonfriable ACM, asbestos-cement products need to be removed prior to demolition if they have a high probability of becoming crumbled, pulverized, or reduced to powder during demolition activities. EPA believes that most demolition activities will subject such Category II nonfriable ACM to the regulation.

Whether asbestos-cement products are subject to the asbestos NESHAP should be determined by the owner or operator on a case-by-case basis based on the demolition techniques to be used.

In general, if contractors carefully remove asbestos-cement materials using tools that do not cause significant damage, the materials are not considered RACM and can be disposed of with other construction debris.

However, if demolition is accomplished through the use of cranes (equipped with wrecking balls, clamshells or buckets), hydraulic excavators, or implosion/explosion techniques, asbestos-cement products will be crumbled, pulverized or reduced to powder, and are subject to the provisions of the asbestos NESHAP.

Some demolition contractors do not treat significantly damaged asbestos-cement products as RACM; they mix it with other demolition debris and dispose of it in direct violation of the waste-disposal provisions of the asbestos NESHAP.

SECTION 4

DEMOLITION PRACTICES BY METHOD

Methods of destruction employed at demolition sites include the use of heavy machines, explosions/implosions, and hand methods. All of these methods cause Category II nonfriable ACM to become RACM; however, Category I nonfriable ACM (packings, gaskets, resilient floor coverings, asphaltic roofing materials, mastic) that is not in poor condition and not friable prior to the demolition operation may be subjected to most of these techniques without becoming RACM. The following describes various demolition techniques and their effects on nonfriable materials. All Category I nonfriable ACM referenced is presumed not to be in poor condition and not friable prior to the demolition operation.

HEAVY MACHINERY RAZING OPERATIONS

For the purposes of this document heavy machinery (or equipment) includes large motorized vehicles such as bulldozers with rakes, top loaders, backhoes, skid loaders/bobcats, hydraulic excavators, and other similar machinery used for transporting, moving, or dislodging of materials at a demolition site. Cranes equipped with wrecking balls, clamshells, or buckets are also considered heavy machinery.

Heavy machinery is used at demolition sites for both razing operations and post-demolition activities. "Razing", the process which reduces a building's structural skeleton to rubble, typically occurs after the building's interior has been gutted by hand.

Use of heavy machinery during the razing process causes Category II nonfriable ACM, but not Category I nonfriable ACM to become RACM. Use of such equipment during subsequent operations, such as waste consolidation, however, is a major concern which will be addressed in Section 5 of this document.

Bulldozers and Similar Machinery

Included in this grouping of heavy machinery are all types of bulldozers, backhoes, top loaders and skid loaders/bobcats commonly used in conjunction with hand methods to raze buildings. Bulldozers move on tracks whereas backhoes, top loaders, and skid loaders operate on rubber tires.

Only if a great deal of working space exists at a site, and a precisely-controlled demolition is not necessary, can bulldozers such as 977 loaders and D-9s be used to demolish a building. These bulldozers are typically equipped with giant rakes designed to ram building walls and move debris.

977's or D-9s may be used to undermine a building, but hydraulic excavators (discussed later in this section) are usually used for this purpose.

Backhoes and top loaders are mainly used for moving debris and tearing off sections of walls and other building components.

Skid loaders, machines commonly used to load skids or pallets onto trucks, may be specially equipped with a type of ram for use during demolitions and are usually of the "bobcat" type.

The razing of a building using the heavy machinery described above causes Category II nonfriable ACM, but not Category I nonfriable ACM to become RACM.

Hydraulic Excavators

Hydraulic excavators, such as EL-300s, 225s or 215s, resemble a combination bulldozer/backhoe and operate on tracks. They are easier to use and provide greater control during demolition than the bulldozers described above. However, since they too raze buildings by ramming and tearing, like bulldozers, their use in congested areas is limited. Nearby buildings must be protected from the falling debris; plywood may be applied over the windows and rubber tires may be used to cushion and prevent damage to walls of adjacent structures.

On rare occasions, hydraulic excavators may be used to topple one- or two-story buildings by means of an undermining process. The strategy is to undermine the building while controlling the manner and direction in which it falls. The demolition project manager (who in many jurisdictions must be licensed by the city or state) must determine where undermining is necessary so that a building falls in the desired manner and direction. The walls are typically undermined at a building's base, but this is not always the case as building designs may dictate otherwise. Safety and cleanup considerations are also taken into account in determining the methods to be used.

Since the toppling of a building constitutes a safety hazard and generates enormous quantities of dust, many cities and towns will not approve of this method of demolition. Where the practice is allowed, the contractor may be required to keep the structure wet during demolition. Hydrant permits may be required and, because of the wetting restrictions, such demolitions may be impossible to accomplish during the winter.

Hydraulic excavators are also used to conduct cleanup activities such as excavation, fill burial, material reduction, and material load-out.

The use of hydraulic excavators during the razing process causes Category II nonfriable ACM, but not Category I nonfriable ACM to become RACM.

Cranes (Wrecking Ball, Clamshell, Bucket)

Although often employed in the past, particularly during demolitions of high-rise structures, cranes are now rarely used. They are expensive to operate and usually not necessary, since renovation has displaced demolition as the method of choice in dealing with many out-of-date

structures. Cranes are currently used only in situations where other equipment cannot be employed.

Cranes may be equipped with wrecking balls, clamshells or buckets, which are used in a variety of ways. All three may be dropped or swung against the structure to demolish it. When employed in this manner, clamshells provide the greatest force of the three and result in the fastest, most efficient demolition projects.

Buckets and clamshells allow a greater degree of control than wrecking balls. Buckets may be raised to the level where internal demolition of the building is taking place and be used merely to transport and segregate hand-loaded demolition materials collected from within. Clamshells can take big bites out of the structure and facilitate the segregation of demolition debris.

When demolition is accomplished by crane, the process can begin at the roof and progress continually downward, or alternate up and down. Materials are segregated to the greatest degree possible as the demolition progresses so that the need for post-demolition handling is minimized. In the case of high-rise structures, the interiors are usually gutted by hand prior to razing.

Effect on Category I Materials

The use of cranes during the razing process does not cause Category I nonfriable ACM to become RACM; therefore, Category I materials which are not in poor condition and not friable may remain in the building during such demolition.

Effect on Category II Materials

The use of wrecking balls on asbestos-cement (A/C) siding (a Category II nonfriable ACM) on buildings is specifically addressed in the November 1990 asbestos NESHAP revision (see SUPPLEMENTARY INFORMATION, Section IV - Significant Comments..., *Demolition and Renovation, Nonfriable ACM*):

"...the A/C siding on a building that is to be demolished using a wrecking ball is very likely to be crumbled, or pulverized with increased potential for the release of significant levels of asbestos fibers. Such material in this instance should be removed prior to demolition."

Therefore, A/C siding, although a nonfriable material, is considered RACM when a wrecking ball is being used to demolish the structure. Whenever buckets and clamshells are to be swung like wrecking balls, A/C materials should also be considered RACM.

EXPLOSIONS/IMPLOSIONS

Building implosions utilizing explosive devices constitute a rarely-used demolition technique. In simplest form, this method is accomplished through the use of explosive charges placed

strategically throughout a building so that the building collapses in on itself and debris does not radiate outward to any appreciable distance. Relatively large quantities of dust are created, however, and the direction and magnitude of transport are matters of concern.

Effect on Category I Materials

The asbestos NESHAP does not require the removal of Category I nonfriable ACM that is not in poor condition and not friable prior to building implosions. Normal implosion techniques do not cause nonfriable materials to become RACM. The destruction of buildings during military target practice is considered to be another form of explosive demolition. Category I materials may remain in place during target practice. However, if it can be expected that the building and ACM will burn as a result of explosive demolition, the ACM must be removed prior to demolition.

Recent examination of asbestos-containing floor tiles and roofing materials contained in a large building demolished by implosion revealed that the floor tile was in fair to good condition and had not become friable. Tiles had been broken up into small quantities of large pieces as the individual floors collapsed upon each other. The roofing materials were similarly affected; they too remained nonfriable following demolition by implosion.

EPA does not consider Category I material to be RACM as a result of building implosions. If, however, Category I materials are to be subjected to sanding, grinding, cutting, or abrading after demolition, they must be treated as RACM and be removed from the building before demolition.

Effect on Category II Materials

Category II materials, such as transite, found in or on buildings scheduled for implosion/explosion destruction must be removed before such demolition. Such materials are considered RACM because they have "a high probability of becoming crumbled, pulverized or reduced to powder" during such activities.

HAND METHODS OF DEMOLITION

This section of the manual addresses hand methods employed during demolition and includes segregation activities which take place during demolition (as opposed to cleanup) and their effects on Category I materials. "Hand methods", for the purposes of this manual, refer to the use of motorized and non-motorized tools that can be operated by hand and are not used for transportation. The methods discussed include not only those used in the gutting of building interiors prior to razing, but also those used during razing itself. Unless otherwise noted, "hand methods" refers to those methods that do not significantly damage the ACM and therefore do not cause Category I nonfriable ACM to become RACM.

Most buildings of ten floors or less are currently razed at least partially, if not fully, by hand. Hand methods allow much greater control over a building's collapse than other methods and permit easier segregation of demolition materials for resale or recycling than other demolition methods. In addition, hand methods may be required because of workspace limitations.

Depending on the size of the job and demolition schedule, the size of a demolition crew may vary from as few as five individuals to 30 or more. As a general rule, workers use relatively inexpensive tools such as pry bars, hand-held saws, power saws, sledge hammers, axes, bolt cutters, and acetylene torches during gutting and razing operations.

As the gutting/salvage activities progress, demolition debris is typically deposited into a trailer or dumpster strategically placed outside a window of the building being demolished. The window frame is removed and materials are loaded into the storage containers by hand, or, where possible, by bobcats operating within the building. Many jobs require the use of dust-tight chutes for the transport of such debris.

On the rare occasion where onsite burial of demolition debris is allowed, the first activity to take place in the building is the removal of the first story's flooring. This is done so that as waste materials accumulate on upper floors, they can be sent down into the basement through the center of the building, typically through elevator shafts, for disposal. Chutes may be used if elevator shafts are not available. Such onsite disposal typically is allowed only for noncombustible materials such as cement and brick. Waste consolidation activities which occur in the basement area are of great concern to EPA and are discussed in Section 5 of this manual.

Excess demolition wastes are loaded out for transport to a landfill that accepts construction debris. If no basement area exists, or if materials cannot be sent into dumpsters or trailers immediately as previously described, debris may be stored in piles scattered around the site. These materials may subsequently be moved by hand or through the use of light or heavy machinery. Section 5 of this manual details such operations.

Floor Removal and Disposition

The techniques used in removing flooring depend upon its ultimate fate. Where it is in poor condition and incapable of being reused or recycled, the flooring is typically ripped out using pry bars and sledge hammers and sent offsite for disposal. Sometimes wood flooring and other debris is burned to reduce the volume of waste. In this case, the asbestos must be removed prior to burning the wood debris. Since demolition debris disposal costs are so high (\$100 - \$500 per 60-100 cubic yard load) as much salvage/recycling of materials is done as possible.

Wood or particle board flooring is sometimes segregated and sold to recycling centers where it is chipped up and sold as filler or mulch (composting, gardening, etc.). If resilient asbestos-containing floor covering is attached to such flooring it is considered RACM and must be removed prior to recycling. Tiles are often chipped or scraped off the substrate using the methods described in Section 3.

Large planks and joists, and beams (both wooden and steel) may also be saved if they are in good condition. Wooden planks are usually lifted with pry bars, whereas the larger joists and beams are segregated for reuse following the razing of the structure.

Where demolition debris will be recycled, any asbestos remaining on the debris must be removed prior to any recycling that will sand, grind, cut, or abrade the asbestos or otherwise cause it to become RACM.

Roof Removal and Disposition

On occasion one may find that the roof of a building being demolished is removed before the building is razed. Such removal may be required when buildings are very close to one another, or when the roofing contains asbestos-containing materials.

There are two major types of roofing: "built-up roofing" and "sheet goods". Built-up roofing contains multiple layers of felt and asphalt. Sheet goods typically consist of a single layer of material.

Roofs are often taken out by hand, typically by using pry bars, sledge hammers, axes, adzes, bolt cutters, ice chippers, shovels and roof-cutting saws. If the roof contains asbestos materials (felt, cork, etc.), an asbestos removal contractor may be employed to remove it. Some abatement contractors wet the roof with plain or amended water and then use shrouded power saws whose exhaust is HEPA-filtered to cut the roofing into manageable (often 2' x 3') pieces. After the pieces are lifted, the edges may be encapsulated. Other abatement contractors may build a full containment and establish a reduced pressure environment prior to removing the roofing materials.

Depending upon the contractors involved and the condition of the asbestos-containing roof debris, the debris may or may not be segregated from other demolition debris. Abatement contractors may store roof debris in lined dumpsters onsite and dispose of it at an asbestos landfill; if the asbestos-containing roofing material is not in poor condition and is not friable however, it may be disposed of in a landfill which accepts ordinary demolition waste.

Asbestos-containing roofing material may not be ground up for recycling into other products.

Work Progression

Demolition crews typically work downward, floor by floor. Materials such as doors, windows, electrical and other fixtures which can be salvaged are removed first. Interior partitions are then ripped, cut, or knocked out using various hand-held tools including sledge hammers, axes, adzes and pry bars. Brick is generally segregated immediately after being knocked out of walls so it can be examined at the site by potential buyers. Ceilings are also ripped out using pry bars, axes and sledge hammers. Steel and other metal materials are typically placed in separate debris piles from other materials. Work proceeds in a similar floor/wall, floor/wall pattern until the first floor is once again reached.

Sawing/Cutting Operations

In order to raze a building by hand, load-bearing members must be cut. Based upon the composition, thickness, and condition of the structural member being cut, saws selected range

from hand saws to Sawz-alls™ and gas-driven carbide blade hand saws. Large bolt cutters are also used to cut steel members. Category I materials subjected to sawing or cutting are subject to the provisions of the asbestos NESHAP; however, typical demolition sawing/cutting operations rarely involve such materials.

Grinding Operations

Grinding operations are not common occurrences at most demolition sites. On occasion, however, asbestos-containing mastic and remaining pieces of floor tile may be ground off concrete destined for recycling. Category I material so treated is RACM and is subject to the provisions of the asbestos NESHAP.

Pulverizing Operations

On occasion, asbestos-containing floor tiles are removed from their substrate by hand, using either hand-held ice choppers or electrically- or gas-powered mechanical chippers. If use of such methods pulverizes, crumbles or reduces the floor tiles to powder, the tiles must be considered RACM and must be handled in accordance with the requirements of the asbestos NESHAP.

Summary

On rare occasions Category I nonfriable ACM may be subjected to hand methods involving the uncontrolled drilling, cutting, sawing, grinding or abrading of such materials; under these circumstances Category I materials are considered RACM.

SECTION 5

ONSITE WASTE HANDLING PROCEDURES

INTRODUCTION

At the present time it is not demolition operations and ordinary cleanup activities but the post-demolition activities involving waste consolidation and recycling of Category I and II materials which are of greater concern. If such activities subject either Category I or II nonfriable ACM to sanding, grinding, cutting or abrading, the materials become RACM and are then subject to the provisions of the asbestos NESHAP.

In general, since cleanup activities such as loading waste debris onto trucks for disposal do not subject nonfriable materials to sanding, grinding, cutting or abrading, such materials are not considered asbestos-containing waste materials and are not regulated by the asbestos NESHAP.

However, waste consolidation efforts which involve the use of jack hammers or other mechanical devices such as grinders to break up asbestos-containing concrete or other materials covered or coated with Category I nonfriable ACM, are subject to the regulation.

In addition, operations such as waste recycling which sand, grind, cut, or abrade Category I or II nonfriable ACM are subject to the asbestos NESHAP. When these types of activities are performed, Category I and II nonfriable ACM become RACM.

The following details the post-demolition activities of waste consolidation (segregation and reduction), waste load-out and onsite waste disposal and their effects on nonfriable ACM.

WASTE CONSOLIDATION

Waste consolidation operations involve segregation and reduction activities that have as their ultimate goal the resale, recycling, and disposal of demolition debris.

Segregation of Demolition Debris

Demolition contractors segregate demolition debris primarily to maximize their profits. As much material as possible is collected for resale and recycling (e.g., wood, brick, steel and concrete); the remaining debris is most often transported offsite for disposal.

Segregation may involve cutting and grinding operations, the breaking and tearing apart of materials to separate them by material type, and the transport of materials within the demolition site boundaries.

Since segregation activities may be accomplished using hand methods and heavy equipment, nonfriable ACM may or may not become friable in the process. The following text details various segregation activities and describes their effects on nonfriable materials.

Segregation by Hand

Materials such as wood, brick and steel are generally separated from other demolition debris using equipment such as sledgehammers, prybars, adzes and axes. If any hand equipment is used to cut, sand, grind, or abrade Category I or II materials, RACM is thus created and the provisions of the asbestos NESHAP apply.

Material Transport

Since heavy equipment is often used to move and segregate demolition debris, questions have been raised concerning the effect of such transport particularly on Category I nonfriable ACM.

If Category I nonfriable ACM is transported across a demolition site in the bucket of a top loader, backhoe, hydraulic excavator or other similar vehicle, it is not considered RACM since it is not subjected to sanding, grinding, cutting or abrading during this activity.

Use of bulldozers, on the other hand, is expected to have a greater impact on Category I materials. However, EPA has stated that "...if the bulldozer is moving the debris or picking it up to be put in a vehicle and inadvertently runs over Category I material, then it is not subject to the NESHAP standard" (see Appendix I). Consequently, the moving of debris by bulldozers, whether by carrying it in a bucket or pushing it along the ground does not in itself cause Category I nonfriable ACM to become RACM.

Category II nonfriable ACM subjected to sanding, grinding, cutting or abrading during collection and transport is considered RACM and thus subject to the asbestos NESHAP.

Vehicular Traffic Impact

Rubber-tired Vehicles

If nonfriable ACM is intentionally run over by rubber-tired vehicles as a means of segregation, it does not automatically become RACM but must be examined for damage. If it has become extensively damaged, i.e., it was sanded, ground, cut or abraded during segregation, it becomes RACM and is subject to the NESHAP regulation.

Tracked Vehicles

Although tractor treads present greater risks of causing extensive damage to nonfriable ACM, limiting their use at demolition sites is not considered practical. Intentionally running over nonfriable ACM with tractor treads as a means of segregation is considered grinding; material thus treated becomes RACM.

Intentional segregation in this manner is addressed in the preamble to the revised asbestos NESHAP (SUPPLEMENTARY INFORMATION, Section IV, Significant Comments and Changes to the Proposed Revisions, Demolition and Renovation, Nonfriable ACM):

"Examples of practices...included the breaking of nonfriable insulation from steel beams by repeatedly running over the beams with a crawler tractor...these and other similar practices involving nonfriable asbestos material were considered to render nonfriable ACM into dust capable of becoming airborne."

Reduction of Demolition Debris

Reduction activities are of the greatest concern to EPA, since they are most likely to cause both Category I and Category II nonfriable ACM to become RACM.

Category I Reduction

The use of bulldozers to reduce the volume of Category I materials causes them to become RACM as discussed elsewhere in this manual and in the following EPA correspondence:

"If, after a demolition, material left in the facility... is intentionally ground up (such as repeatedly running over the debris with a bulldozer to compact the material), then 61.150(a)(3) applies. The material must be adequately wetted and kept adequately wet during collection and transport to a site or facility operated in accordance with 61.154 or 61.155." (See Appendix D).

Reduction by the use of sledgehammers does not normally cause Category I nonfriable ACM to become RACM. The use of pneumatic hammers, however, whether hand-operated or attached to heavy machinery, does cause these materials to become RACM. The use of cranes with clamshells or other heavy machinery with rakes or buckets to partially reduce Category I nonfriable ACM is permissible if the material is left recognizable in its original form. Extensively damaged Category I ACM (that which has been sanded, ground, cut, or abraded) becomes RACM. Consolidating waste materials containing Category I nonfriable ACM in the hole (basement) of a building and subsequently grinding or crushing it via bulldozer subjects the operation to the asbestos NESHAP.

For wood/tile debris, demolition crews sometimes use tree chippers to grind the material up. Any Category I nonfriable ACM subjected to this treatment becomes RACM.

Category II Reduction

Reduction of Category II materials such as asbestos-cement pipe and concrete following demolition is also a matter of concern.

Asbestos-Cement Pipe

EPA considers asbestos-cement pipe to be a "facility component" (as defined in 40 CFR §61.141) of the facility which owns or utilizes the pipe. In addition, EPA considers asbestos-cement pipe to be Category II nonfriable asbestos containing material. This material becomes "regulated asbestos containing material" (RACM), as defined in 40 CFR §61.141, when it becomes "friable asbestos material" or when it "has a high probability of becoming or has become crumbled, pulverized or reduced to powder by the forces expected to act on the material during the course of demolition or renovation operations regulated by [40 CFR Part 61 Subpart M]." Consequently, the crushing of asbestos-cement pipe with mechanical equipment will cause this material to become RACM. The demolition and renovation provisions in 40 CFR §61.145 and the waste disposal provisions in 40 CFR §61.150 apply to asbestos-cement pipe where the pipe is considered RACM, and the amount of pipe being removed and crushed is at least 260 linear feet for a single renovation project or during a calendar year for individual nonscheduled operations.

Concrete

At certain demolition sites demolition contractors may rent and operate large concrete-pulverizing machines called PC-400s. Since the asbestos content of concrete is rarely known, use of such machines is a matter of concern to EPA. Under no circumstances should asbestos-containing concrete, or concrete to which asbestos-containing resilient flooring is attached, be subjected to such treatment.

Onsite Waste Disposal

As mentioned in other sections of this manual, using heavy machinery to crush demolition debris containing Category I or II nonfriable ACM in place prior to or during burial, can cause the ACM to become RACM subject to the provisions of sections §61.150 (waste disposal) and §61.151 (inactive waste disposal sites) or §61.154 (active waste disposal sites). If Category I or II materials are not rendered friable, they are not subject to the asbestos NESHAP.

EPA has recently responded to a question regarding the onsite disposal of crushed asbestos-cement pipe, a Category II material. The response is applicable as well to the burying of Category I material which has been sanded, ground, cut or abraded. In its correspondence EPA stated that the practice of backfilling and burying crushed asbestos-cement pipe in place causes these locations to become active waste disposal sites subject to the requirements of §61.154. Furthermore, if no additional asbestos-containing waste material is buried at that location for a year, the site becomes an inactive waste disposal site subject to the requirements of §61.151(e) and §61.154(h).

Consequently, the owner of the land would be required to comply with the requirements for active and inactive waste disposal sites.

In order to avoid the creation of a waste disposal site which is subject to the Asbestos NESHAP, it was suggested that the owners or operators of the pipe consider other options for dealing with it. If the pipe is left in place or removed in such a way that it is not crumbled, pulverized or reduced to powder, it would not be subject to the NESHAP. If the pipe must be crushed, the creation of an active waste disposal site can be avoided by removing the pipe from the site and transporting it to a landfill which accepts asbestos waste material.

An alternative method suggested involved the pumping of grout into the buried lines which are no longer in service.

Waste Load Out

As mentioned previously, waste load out activities generally do not cause Category I nonfriable ACM to become RACM. Top loaders are typically used to deposit demolition debris containing Category I nonfriable ACM into trucks for hauling to landfills that accept construction debris.

Recent EPA correspondence discusses the hauling and ultimate disposal of both Category I and Category II ACM as follows:

It is required under §61.150(a)(3) that asbestos-containing waste material be kept adequately wet. Asbestos-containing waste material as applied to demolitions and renovations includes RACM waste and materials contaminated with asbestos including disposable equipment and clothing. Category I or Category II nonfriable ACM that has been contaminated by RACM, and cannot be decontaminated (e.g., building debris in a pile contaminated with RACM) must be treated as asbestos-containing waste material. Category I or Category II ACM that does not meet the definition of RACM after a demolition or renovation, and is not contaminated with RACM, is not asbestos-containing waste material and is not subject to the wetting requirement of §61.150(a)(3).

Category I or II nonfriable ACM that is not subject to §61.150(a)(3) would still have to be disposed of in a landfill that accepts building debris, in a landfill that operates in accordance with §61.154, or at a facility that operates in accordance with §61.155. This waste material would not be allowed to go to any facility that would sand, grind, cut or abrade the non-RACM waste or otherwise turn it into RACM waste (such as a cement recycling facility). In addition, if Category I or II nonfriable ACM is sanded, ground, cut or abraded during disposal at a landfill, before it is buried, it is subject to the NESHAP. (See Appendix I).

SECTION 6

OFFSITE WASTE HANDLING PROCEDURES

The issues discussed in this section include landfills, recycling centers, conversion facilities, and renovation activities. Since EPA has taken a "cradle to grave" approach regarding the disposition of ACM, responsibility for the ultimate fate of Category I ACM rests with all individuals involved in handling the material.

Landfills

Category I and II ACM that has become RACM must be disposed of in a landfill that operates in accordance with §§61.150 and 61.154, or in an EPA-approved conversion facility described in §61.155 of the asbestos NESHAP.

Category I and II nonfriable ACM which has not become RACM during demolition may be disposed of in a landfill that normally accepts construction debris. However, if Category I or II nonfriable ACM is sanded, ground, cut or abraded before it is buried at the landfill, it is subject to the asbestos NESHAP.

Recycling Centers

At the present time, EPA does not allow either Category I or II nonfriable demolition debris to go to any facility (e.g., a cement recycling facility) that will sand, grind, cut or abrade it or otherwise turn it into RACM waste. Recycling facilities which cause non-RACM waste to become RACM waste are subject to the provisions of the asbestos NESHAP (See Appendix I).

Conversion Facilities

Conversion facilities are addressed in Section 61.155 of the November 1990 revised asbestos NESHAP. Owners/operators of such facilities must handle ACWM according to the provisions of the asbestos NESHAP.

United States
Environmental Protection
Agency

EPA 340/1-90-018
December 1990

Air and Radiation (EN4341W)



Asbestos/NESHAP Regulated Asbestos Containing Materials Guidance

ASBESTOS

EPA 340/1-90-018

**ASBESTOS NESHAP
REGULATED ASBESTOS CONTAINING
MATERIALS GUIDANCE**

**U.S. ENVIRONMENTAL PROTECTION AGENCY
Office of Quality Planning and Standards
Stationary Source Compliance Division
Washington, DC 20460**

December, 1990

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1. INTRODUCTION

Section 112 of the Clean Air Act (CAA) requires EPA to develop emission standards for hazardous air pollutants. In response to this section the Environmental Protection Agency (EPA) published a list of hazardous air pollutants and promulgated the "National Emission Standards for Hazardous Air Pollutants" (NESHAP) regulations. Since asbestos presents a significant risk to human health as a result of air emissions from one or more source categories, it is therefore considered a hazardous air pollutant. The Asbestos NESHAP (40 CFR 61, Subpart M) addresses milling, manufacturing and fabricating operations, demolition and renovation activities, waste disposal issues, active and inactive waste disposal sites and asbestos conversion processes.

In the initial Asbestos NESHAP rule promulgated in 1973, a distinction was made between building materials that would readily release asbestos fibers when damaged or disturbed and those materials that were unlikely to result in significant fiber release. The terms "friable" and "non-friable" were used to make this distinction. EPA has since determined that, if severely damaged, otherwise nonfriable materials can release significant amounts of asbestos fibers.

Friable asbestos-containing material (ACM), is defined by the Asbestos NESHAP, as any material containing more than 1 percent asbestos as determined using the method specified in Appendix A, Subpart F, 40 CFR Part 763, Section 1, Polarized Light Microscopy (PLM), that, when dry, can be crumbled, pulverized or reduced to powder by hand pressure. (Sec. 61.141)

Nonfriable ACM is any material containing more than 1 percent asbestos as determined using the method specified in Appendix A, Subpart F, 40 CFR Part 763, Section 1, Polarized Light Microscopy

(PLM), that, when dry, cannot be crumbled, pulverized, or reduced to powder by hand pressure. EPA also defines two categories of nonfriable ACM, Category I and Category II nonfriable ACM, which are described later in this guidance.

"Regulated Asbestos-Containing Material" (RACM) is (a) friable asbestos material, (b) Category I nonfriable ACM that has become friable, (c) Category I nonfriable ACM that will be or has been subjected to sanding, grinding, cutting or abrading, or (d) Category II nonfriable ACM that has a high probability of becoming or has become crumbled, pulverized, or reduced to powder by the forces expected to act on the material in the course of demolition or renovation operations.

The purpose of this document is to assist asbestos inspectors and the regulated community in determining whether or not a material is RACM and thus subject to the Asbestos NESHAP.

The recommendations made in this guidance are solely recommendations. They are not the exclusive means of complying with the Asbestos NESHAP requirements. Following these recommendations is not a guarantee against findings of violation. The EPA intends for owners/operators to be reasonably certain whether or not they are subject to the NESHAP. In the end, if a question arises, determinations of whether asbestos containing materials are regulated by the Asbestos NESHAP are made by EPA inspectors on site.

2. FRIABLE ASBESTOS CONTAINING-MATERIALS

Due to their high tensile strength, incombustibility, corrosion and friction resistance and other properties, such as acoustical and thermal insulation abilities, asbestos fibers have been incorporated into over 3600 commercial products. Thermal system, fireproofing and acoustical insulation materials have been used extensively in the construction industry.

Thermal system applications include steam or hot water pipe coverings and thermal block insulation found on boilers and hot water tanks. Fireproofing insulation may be found on building structural beams and decking. Acoustical insulation (soundproofing) commonly has been applied as a troweled-on plaster in school and office building stairwells and hallways. Unfortunately, with time and exposure to damaging forces (e.g., severe weather, chemicals, mechanical forces, etc.), many asbestos-containing materials may become crumbled, pulverized or reduced to powder, thereby releasing asbestos fibers, or may deteriorate to the extent that they may release fibers if disturbed. Since inhalation of asbestos fibers has been linked to the development of respiratory and other diseases, any material which is friable, or has a high probability of releasing fibers, must be handled in accordance with the Asbestos NESHAP.

The following work practices should be followed whenever demolition/renovation activities involving RACM occur:

- notify EPA of intention to demolish/renovate,
- remove all RACM from a facility being demolished or renovated before any disruptive activity begins or before access to the material is precluded,

- keep RACM adequately wet before, during, and after removal operation,
- conduct demolition/renovation activities in a manner which produces no visible emissions to the outside air, and
- handle and dispose of all RACM in an approved manner.

3. NONFRIABLE ASBESTOS-CONTAINING MATERIALS

Because of the resilient nature of asbestos, it is used in materials exposed to a wide variety of stressful environments. These environments can cause the deterioration of binding materials and cause nonfriable materials to become friable. For example, asbestos-containing packings and gaskets (Category I nonfriable ACM) used in thermal systems may be found in poor condition as a result of the heat they have encountered. In petrochemical handling facilities, which may have miles of transfer pipes and fittings which contain asbestos gaskets and/or packings, profound degradation of the ACM may occur due to exposure to organic-based liquids and gases or to corrosive agents used to chemically clean these lines.

When nonfriable ACM is subjected to intense mechanical forces, such as those encountered during demolition or renovation, it can be crumbled, pulverized, or reduced to powder, and thereby release asbestos fibers. When nonfriable materials are damaged or are likely to become damaged during such activities, they must be handled in accordance with the Asbestos NESHAP.

There are two categories of nonfriable materials: Category I Nonfriable ACM and Category II Nonfriable ACM.

CATEGORY I NONFRIABLE ACM

Category I nonfriable ACM is any asbestos-containing packing, gasket, resilient floor covering or asphalt roofing product which contains more than 1 percent asbestos as determined using polarized light microscopy (PLM) according to the method specified in Appendix A, Subpart F, 40 CFR Part 763. (Sec. 61.141)

Category I nonfriable ACM must be inspected and tested for friability if it is in poor condition before demolition to determine whether or not it is subject to the Asbestos NESHAP. If the ACM is friable, it must be handled in accordance with the NESHAP. Asbestos-containing packings, gaskets, resilient floor coverings and asphalt roofing materials must be removed before demolition *only if* they are in poor condition and are friable.

The Asbestos NESHAP further requires that if a facility is demolished by intentional burning, all of the facility's ACM, including Category I and II nonfriable ACM, be considered RACM and be removed prior to burning (Sec. 61.145 (c)(10)). Additionally, if Category I or Category II nonfriable ACM is to be sanded, ground, cut, or abraded, the material is considered RACM and the owner or operator must abide by the following (Sec. 61.145 (c)(1)):

- (i) Adequately wet the material during the sanding, grinding, cutting, or abrading operations.
- (ii) Comply with the requirements of 61.145(c)(3)(i) if wetting would unavoidably damage equipment or present a safety hazard.
- (iii) Handle asbestos material produced by the sanding, grinding, cutting, or abrading, as asbestos-containing waste material subject to the waste handling and collection provisions of Section 61.150.

CATEGORY II NONFRIABLE ACM

Category II nonfriable ACM is any material, excluding Category I nonfriable ACM, containing more than 1 percent asbestos as determined using polarized light microscopy according to the methods specified in Appendix A, Subpart F, 40 CFR Part 763 that, when dry, *cannot* be crumbled, pulverized, or reduced to powder by hand pressure. (Sec. 61.141)

Category II nonfriable ACMs (cement siding, transite board shingles, etc.) subjected to intense weather conditions such as thunderstorms, high winds or prolonged exposure to high heat and humidity may become "weathered" to a point where they become friable. The photograph in Figure 1 demonstrates a split asbestos shingle that has become friable along the cracked edge.

The following table lists examples and other relevant information about Category I and Category II nonfriable ACM.

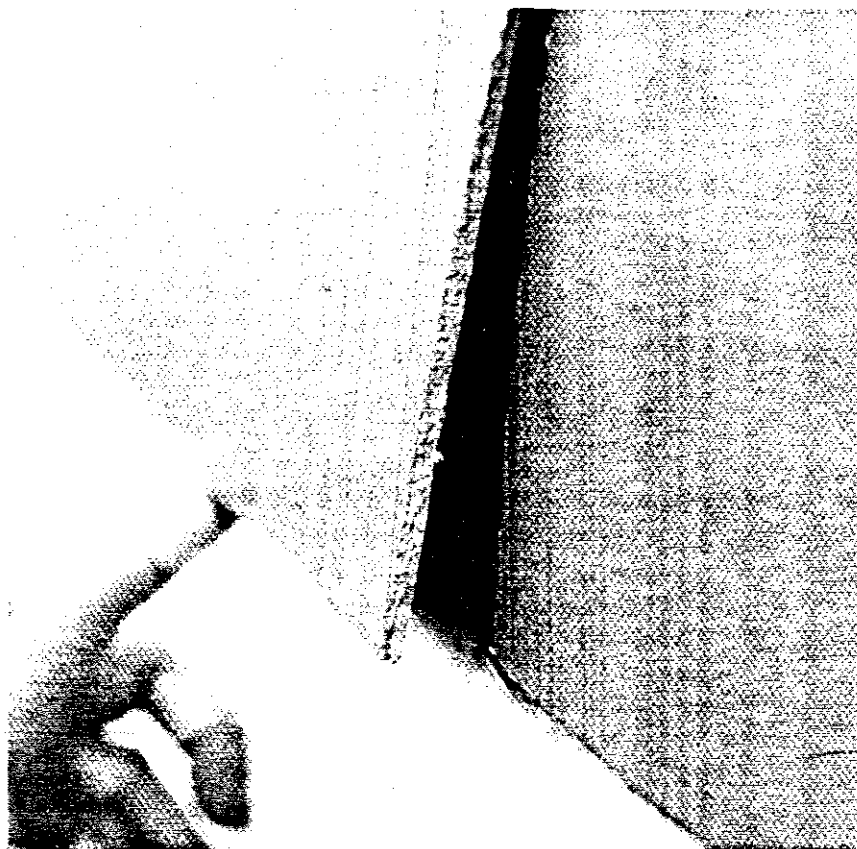


Figure 1. Nonfriable asbestos shingle which has become friable along the broken axis.

TABLE 1. NONFRIABLE ASBESTOS PRODUCTS

Subdivision	Generic name	Asbestos (%)	Binder/sizing	
Cementitious extrusion panels: concrete-like products (Category II)	corrugated	8	portland cement	
	flat	20-45	portland cement	
	flexible	40-50	portland cement	
	flexible perforated	30-50	portland cement	
	laminated (outer surface)	30-50	portland cement	
	roof tiles	20-30	portland cement	
	clapboard and shingles:			
	clapboard	12-15	portland cement	
	siding shingles	12-14	portland cement	
	roofing shingles	20-32	portland cement	
	pipe	20-15	portland cement	
	Roofing felts (Category I)	smooth surface	10-15	asphalt
		mineral surface	10-15	asphalt
		shingles	1	asphalt
pipeline		10	asphalt	
Asbestos-containing compounds (Category I and II)	caulking putties	30	linseed oil	
	adhesive (cold applied)	5-25	asphalt	
	roofing asphalt	5	asphalt	
	mastics	5-25	asphalt	
	asphalt tile cement	13-25	asphalt	
	roof putty	10-25	asphalt	
	plaster/stucco	2-10	portland cement	
	sealants fire/water	50-55	castor oil or polyisobutyrene	
	cement, insulation	20-100	clay	
	cement, finishing	55	clay	
cement, magnesia	15	magnesium carbonate		
Asbestos ebony products	50	portland cement		
Floor tile and vinyl/asbestos tile	21	poly(vinyl)chloride		
Sheet goods asphalt/asbestos tile	26-33	asphalt		
sheet goods/resilient	30	dry oils		

From EPA Guidance entitled "Guidance for Controlling Asbestos-Containing Materials in Buildings" (Purple Book), Appendix A, Page A-1; EPA 560/5-85-024.

Except for the following, Section 61.145(c) of the Asbestos NESHAP requires that each owner or operator of a demolition or renovation activity involving RACM remove all such material from a facility being demolished or renovated before any activity begins that would break up, dislodge, or similarly disturb the material or preclude access to the material for subsequent removal.

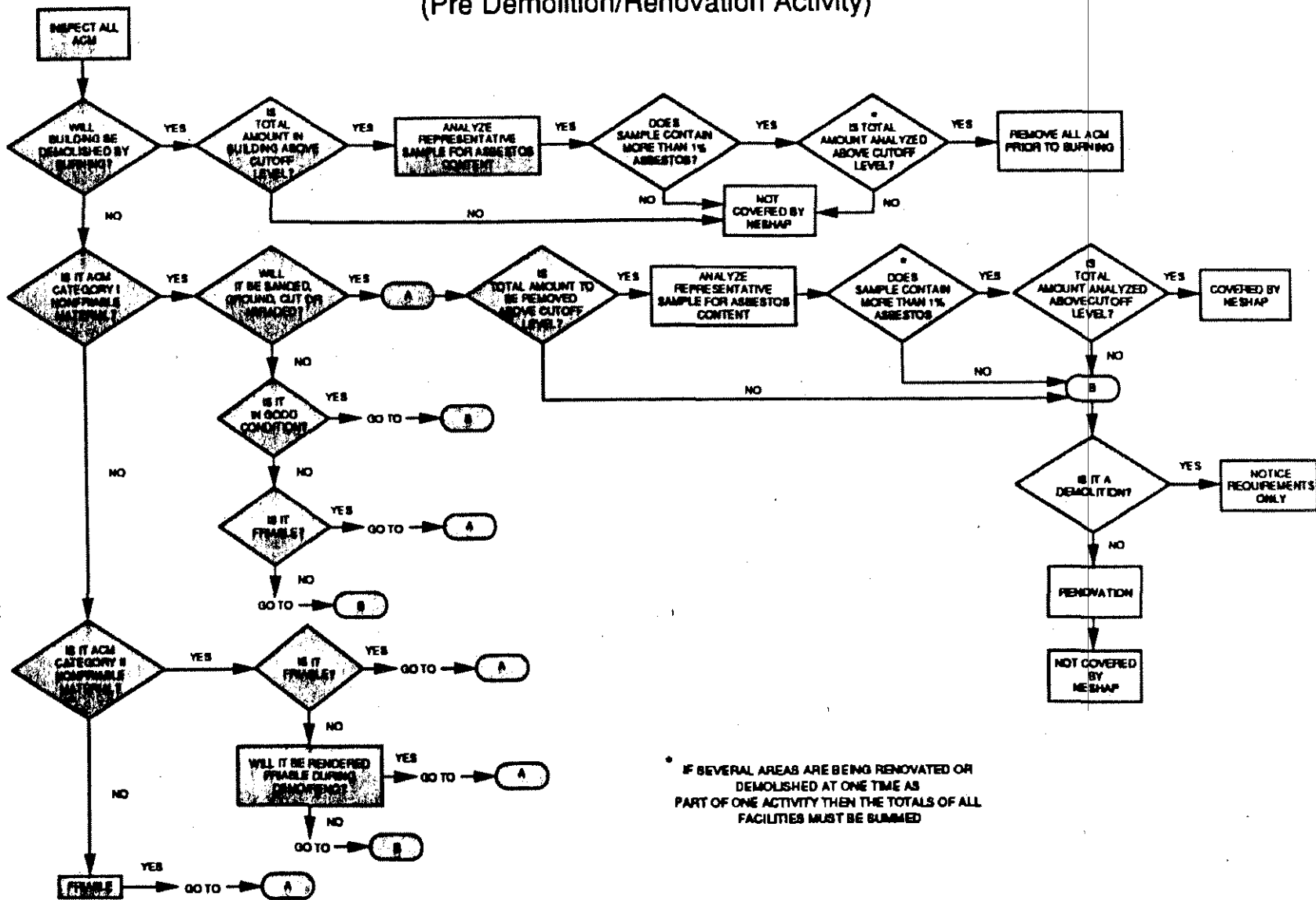
ACM *need not be removed* before demolition if it:

- (i) Is a Category I nonfriable ACM that is not friable.
- (ii) Is on a facility component that is encased in concrete or other similarly hard material and is adequately wet whenever exposed during demolition.
- (iii) Was not accessible for testing and therefore was not discovered until after demolition began and, as a result of the demolition, cannot be safely removed. If not removed for safety reasons, the exposed RACM and any asbestos-contaminated debris must be treated as asbestos-containing waste material and kept adequately wet at all times until disposed of.
- (iv) Is a Category II nonfriable ACM and the probability is low that the material will become crumbled, pulverized, or reduced to powder during demolition.

4. **INSPECTION PROCEDURES TO DETERMINE THE POTENTIAL FOR FIBER RELEASE FROM NONFRIABLE ASBESTOS-CONTAINING MATERIALS**

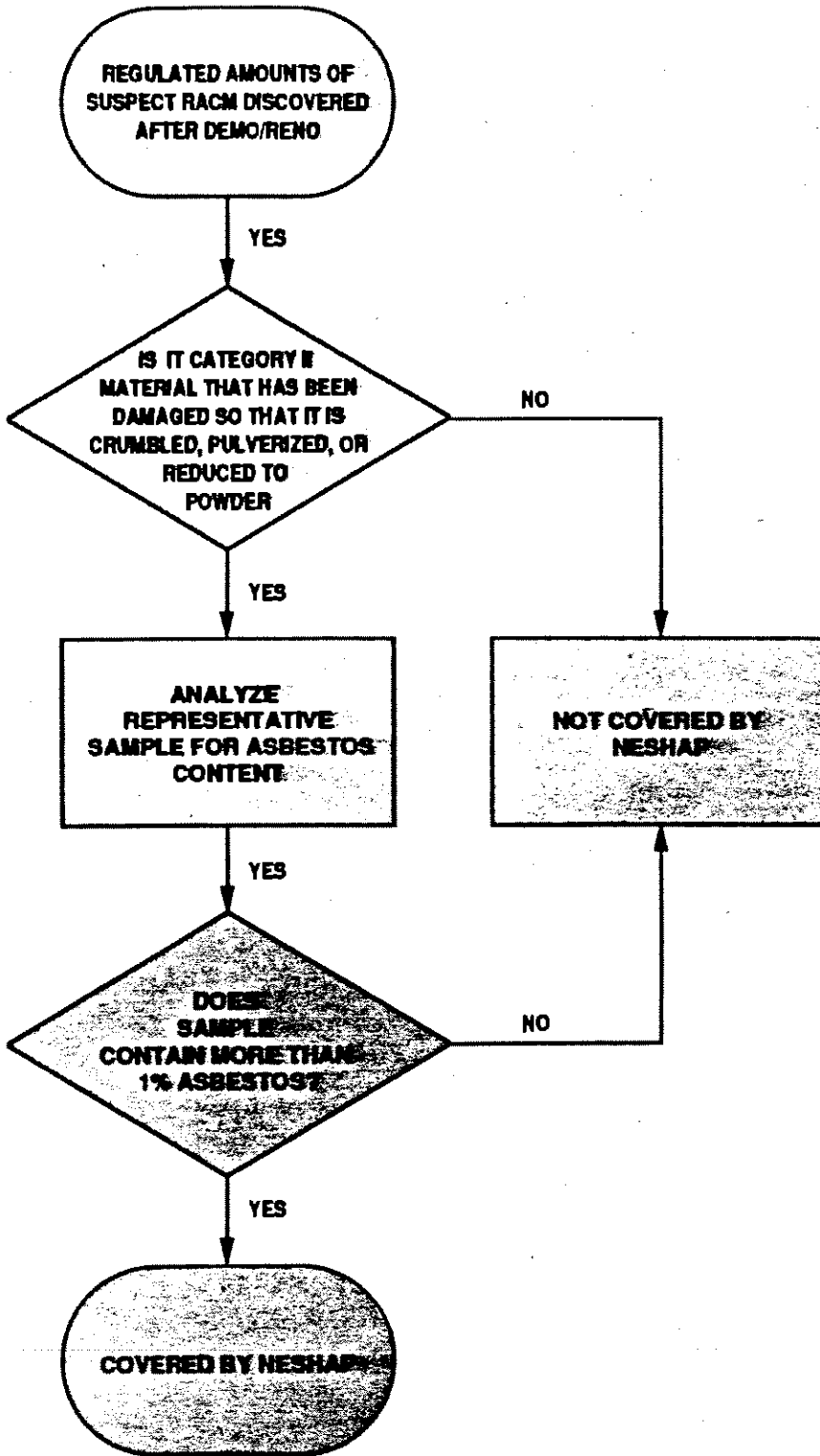
Members of the regulated community (i.e. abatement contractors, industrial hygienists, building owners & operators, etc.) should become familiar with these procedures as they are designed to enhance compliance with the Asbestos NESHAP.

Asbestos NESHAP RACM Decision Tree (Pre Demolition/Renovation Activity)



* IF SEVERAL AREAS ARE BEING RENOVATED OR DEMOLISHED AT ONE TIME AS PART OF ONE ACTIVITY THEN THE TOTALS OF ALL FACILITIES MUST BE SUMMED

Asbestos NESHAP RACM Decision Tree (Post Demolition/Renovation Activity)



GENERAL INSPECTION PROCEDURES

1. Identify all nonfriable suspect ACM and determine whether it is Category I or II.
2. If it is Category I nonfriable RACM:
 - Is it in "poor condition?"
[Is the binding of the ACM losing its integrity? Is the ACM peeling, cracking, or crumbling?
(Remember, friable ACM may not appear in poor condition.)]
 - Is it friable?
 - Collect a piece of dry ACM and seal it in a transparent, reclosable sample bag.
 - Apply hand pressure and observe if the ACM falls apart to the extent that it is crumbled, pulverized, or reduced to powder. Does it occur suddenly, all at once?
 - Send representative samples of the RACM to an analytical laboratory which is able to test them for the presence of asbestos according to the methods specified in 40 CFR Part 763 Subpart F, Appendix A.
 - Ask the owner/operator if any ACM or RACM has been sampled and analyzed. If so, determine where the samples were taken and ask if the methods of demolition/renovation were considered when assessing

the fiber release potential of the material.-
Will it or has it been subjected to sanding,
grinding, cutting or abrading?

3. If it is Category II nonfriable ACM:
- Has the material been crumbled, pulverized or reduced to powder or is there a high probability that it will be crumbled, pulverized or reduced to powder during the demolition/renovation operations, thus rendering the material friable and subject to the Asbestos NESHAP?
 - If Category II nonfriable ACM has been or will be crumbled, pulverized, or reduced to powder by demolition or renovation forces, take representative samples and send them to a laboratory to test for the presence of asbestos according to the method specified in 40 CFR Part 763, Subpart F, Appendix A.

5. SPECIFIC INSPECTION PROCEDURES

Category I Nonfriable ACM

Packings and Gaskets

These materials are often very difficult to find because they are usually placed inside ovens, doors, pipes, boilers, etc. Often a packing or gasket is discovered during a stripping or demolition activity. For example, some boilers have an asbestos-containing paraffin wax packing between the steam lines that travel between the mud and fire boxes. The paraffin binding of the packing may decompose due to the high temperatures, and render the packing friable. Observe all of the packing and note areas that are in poor condition. Packings in poor condition appear dry and

discolored, and fibers may be visible.

A representative piece of asbestos-containing packing material (in good or poor condition) should be removed with a utility knife and sealed in a transparent, reclosable bag. Apply hand pressure to the packing in the sample bag to determine if any portion is crumbled, pulverized or reduced to powder. If the material simply deforms, but does not crumble or reduces to a powder, then the material is considered nonfriable.

Resilient Floor Covering

There is a wide variety of resilient floor covering applications that contain asbestos. The most common are linoleum flooring and vinyl asbestos tile (VAT). VAT is most commonly found in either a 9"x9" or a 12"x12" square size. The 9"x9" VAT's are normally found in older buildings because they were manufactured earlier than the 12"x12" VAT's; however, floor tile sizes and resilient floor covering applications vary greatly since many buildings have been re-tiled several times.

In order to determine if a resilient floor covering is in poor condition look for sections or tiles which are cracked or peeling to the extent that they are crumbled. Floor coverings in poor condition can often be found near doorways or loading/staging areas where the floor has sustained a lot of stress and traffic. If the floor covering is in poor condition, collect a small representative sample and seal it in a transparent, sample bag. Hand pressure should be applied to determine if the material can be crumbled, pulverized, or reduced to powder. If it can, the material is considered friable. Resilient floor covering that will be or has been sanded, ground or abraded is subject to the Asbestos NESHAP. Figure 2 depicts a VAT which is in poor condition.

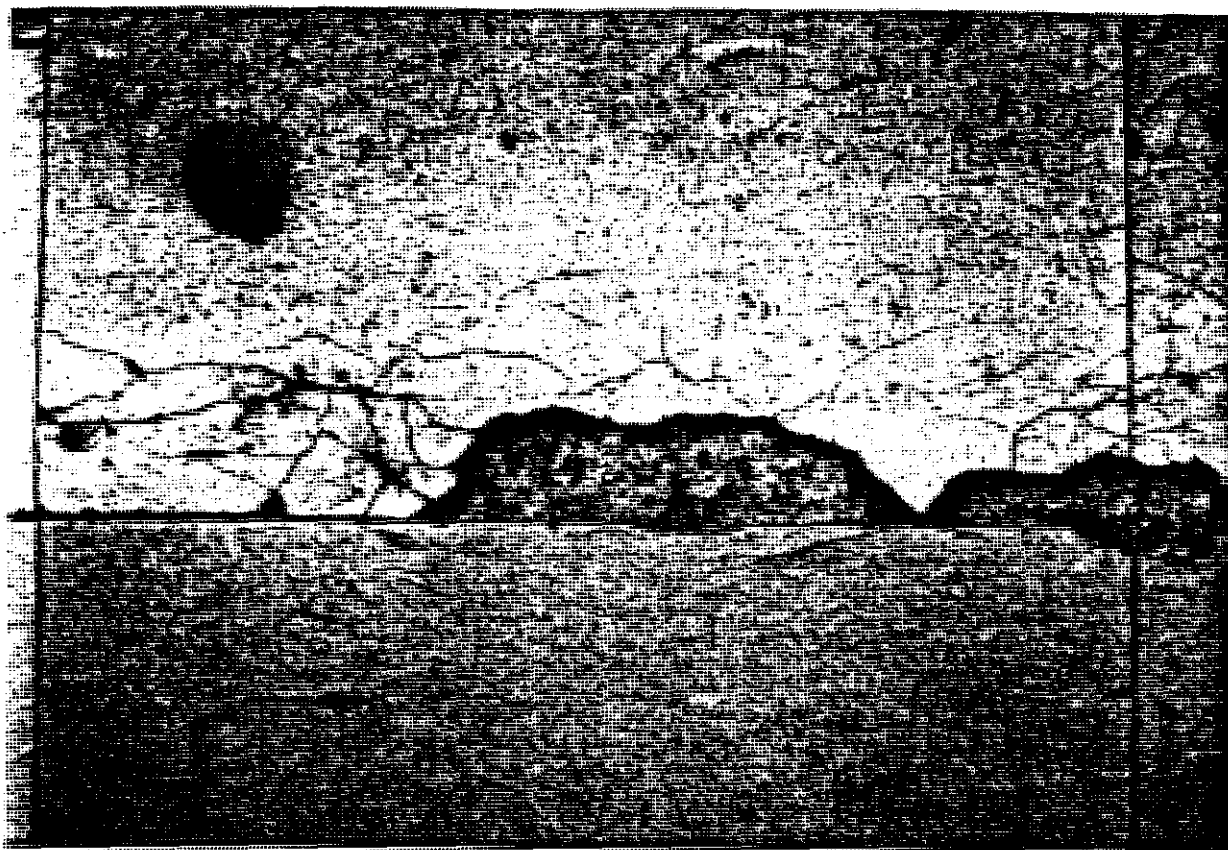


Figure 2. VAT in poor condition

Asphalt Roofing Products

Asbestos-containing roofing felts have been widely used in "built-up" roofs. Built-up roofing was used on flat surfaces and consists of alternating layers of roofing felt and asphalt. The roofing felt consists of asbestos paper saturated and coated with asphalt. Asphalt-asbestos roofing products made from roofing felt coated with asphalt were reportedly used on residential structures for only a short time (1971-1974).

To determine if an asphalt roofing product is covered by the Asbestos NESHAP, examine the RACM to spot any areas where the material is in poor condition and friable. Figure 3 illustrates a section of roofing felts which have deteriorated and display fibers.

If possible, sample areas where fibers can be seen protruding from the matrix of the asphalt. The sample should be sealed into a transparent, reclosable sample bag and hand pressure applied to see if the sample can be crumbled, pulverized, or reduced to powder.



Figure 3. Asphalt roofing felts which are in poor condition. Notice the fibers protruding along the edge of this roofing felt.

Category II Nonfriable ACM

Asbestos Cement Pipe and Sheet Products

Asbestos-cement (A-C) pipe has been widely used for water and sewer mains and occasionally used as electrical conduits, drainage pipe, and vent pipes. A-C sheet, manufactured in flat or corrugated panels and shingles (transite board), has been used primarily for roofing and siding, but also for cooling tower fill sheets, canal bulkheads, laboratory tables, and electrical switching gear panels. If these ACM are crumbled, pulverized or reduced to a powder, they are friable and thus covered by the Asbestos NESHAP. Broken edges of these materials typically are friable. The fractured surface should be rubbed to see if it produces powder.

If Category II nonfriable ACM has not crumbled, been pulverized or reduced to powder and will not become so during the course of demolition/renovation operations, it is considered nonfriable and therefore is not subject to the Asbestos NESHAP. However, if during the demolition or renovation activity it becomes crumbled, pulverized or reduced to powder, it is covered by the Asbestos NESHAP.

APPENDIX A

**ASBESTOS NESHAP COORDINATORS
(FOR DEMOLITION/RENOVATION ACTIVITIES)**

Asbestos NESHAP Coordinator
Air Management Division
U.S. EPA Region I
JFK Federal Building
Boston, MA 02203
(617) 565-3265
CT, MA, ME, NH, RI, VT

Asbestos NESHAP Coordinator
Air Management Division
U.S. EPA Region V
230 South Dearborn Street
Chicago, IL 60604
(312) 886-6819
IL, IN, MI, MN, OH, WI

Asbestos NESHAP Coordinator
Air & Waste Management Division
U.S. EPA Region II
26 Federal Plaza
New York, NY 10278
(212) 264-6770
NJ, NY, PR, VI

Asbestos NESHAP Coordinator
Air, Pesticides & Toxics Division
U.S. EPA Region VI
1445 Ross Avenue
Dallas, TX 75202-2733
(214) 655-7223
AR, LA, NM, OK, TX

Asbestos NESHAP Coordinator
Air Management Division
U.S. EPA Region III
841 Chestnut Street
Philadelphia, PA 19107
(215) 597-6550
DC, DE, MD, PA, VA, WV

Asbestos NESHAP Coordinator
Air & Toxics Management Division
U.S. EPA Region VII
726 Minnesota Avenue
Kansas City, KS 66101
(913) 551-7618
IA, KS, MO, NE

Asbestos NESHAP Coordinator
Air Management Division
U.S. EPA Region IV
345 Courtland Street, N.E.
Atlanta, GA 30365
(404) 347-5014
AL, FL, GA, KY, MS, NC, SC, TN

Asbestos NESHAP Coordinator
Air & Toxics Division
U.S. EPA Region VIII
999 18th Street
Suite 500
Denver, CO 80202-2405
(303) 293-7685
CO, MT, ND, SD, UT, WY

Asbestos NESHAP Coordinator
Air and Toxics Division
U.S. EPA Region IX
75 Hawthorne Street
San Francisco, CA 94105
(415) 774-5569
American Samoa, AZ, CA, Guam, HI
Northern Marianas, Trust Territories

Asbestos NESHAP Coordinator
Air & Toxics Management Division
U.S. EPA Region X
1200 Sixth Avenue
Seattle, WA 98101
(205) 442-1757
AK, ID, OR, WA

APPENDIX B

REGIONAL ASBESTOS COORDINATORS (FOR SCHOOLS)

Regional Asbestos Coordinator
 U.S. EPA Region I
 JFK Federal Building
 Boston, MA 02203
 (617) 565-3835
 CT, MA, ME, NH, RI, VT

Regional Asbestos Coordinator
 U.S. EPA Region V
 230 South Dearborn Street
 Chicago, IL 60604
 (312) 886-6003
 IL, IN, MI, MN, OH, WI

Regional Asbestos Coordinator
 U.S. EPA Region II
 Woodbridge Avenue
 Raritan Depot, Building 5
 Edison, NJ 08837
 (201) 321-6671
 NJ, NY, PR, VI

Regional Asbestos Coordinator
 U.S. EPA Region VI
 1445 Ross Avenue
 Dallas, TX 75202-2733
 (214) 655-7244
 AR, IA, NM, OK, TX

Regional Asbestos Coordinator
 U.S. EPA Region III
 841 Chestnut Building
 Philadelphia, PA 19107
 (215) 597-3160
 DC, DE, MD, PA, VA, WV

Regional Asbestos Coordinator
 U.S. EPA Region VII
 726 Minnesota Avenue
 Kansas City, KS 66101
 (913) 551-7020
 IA, KS, MO, NE

Regional Asbestos Coordinator
 U.S. EPA Region IV
 345 Courtland St. N.E.
 Atlanta, GA 30365
 (404) 347-5014
 AL, FL, GA, KY, MS, NC, SC, TN

Regional Asbestos Coordinator
 U.S. EPA Region VIII
 1 Denver Place
 999 18th Street
 Suite 500
 Denver, CO 80202-2413
 (303) 293-1442
 CO, MT, ND, SD, UT, WY

Regional Asbestos Coordinator
U.S. EPA Region IX
75 Hawthorne Street
San Francisco, CA 94105
(415) 556-5406
American Samoa, AZ, CA Guam,
Northern Marianas, Trust Territories

Regional Asbestos Coordinator
U.S. EPA Region IV
1200 Sixth Avenue
Seattle, WA 98101
(206) 442-4762
AK, ID, OR, WA