

**Minutes  
Joint Meeting  
North Lebanon Township Municipal Authority  
North Lebanon Township Board of Supervisors  
October 14, 2021**

An advertised special joint meeting of the North Lebanon Township Municipal Authority and the North Lebanon Township Board of Supervisors was held on Thursday October 14, 2021, at 5:30 PM at the North Lebanon Township Municipal Building, 725 Kimmerlings Road, Lebanon, PA with the following people present:

Municipal Authority Board:

Gary Heisey	Chair
Dawn Hawkins	Vice Chairperson
Brian Hartman	Secretary
Rodney Lilley	Assistant Secretary/Assistant Treasurer
Tod Dissinger	Treasurer
Lori Books	Assistant Township Manager
Scott Rights, P.E.	Steckbeck Engineering
Amy Leonard, Esq.	Henry and Beaver, LLP

Board of Supervisors:

Edward A. Brensinger	Vice Chairman
Arden A. Snook	Treasurer
Cheri F. Grumbine	Township Manager
Absent:	Dick E. Miller

Molly Lum, Sewer Billing Clerk, and Peter Edelman, Steven's & Lee, were also in attendance.

The meeting was called to order at 5:30 p.m. and the pledge to the flag was recited.

**2022 Budget**

The Board of Supervisors and the Municipal Authority Board gathered for their annual Joint Meeting. First on the agenda was the preliminary budget for 2022.

Water and Sewer Rates – There will be no increase in the water or sewer rates for 2022 by the Municipal Authority.

Water and Sewer Tapping Fees – There will be no increase in the tapping fees for water or sewer.

Office Equipment/IT – Assistant Manager Books is proposing the purchase of a new desktop computer for the Wastewater Department and additional memory for the Sewer Billing desktop computer. After receiving the performance review from PointSolve on each system, it appears much of the hard drive is already being used. New equipment was last purchased in April of 2017

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for the Wastewater Department. The Sewer Billing Clerk's system was last upgraded in November of 2019, but the hard drive usage never improved. Assistant Manager Books would like to keep the upgrades on a five-year cycle.

Assistant Secretary/Assistant Treasurer Lilley made a few suggestions in terms of more beneficial upgrades so that these purchases will last longer. Using those suggestions, Assistant Manager Books did further research and is now suggesting purchasing an XPS Tower Special Edition, I9, 32 GB RAM, 2 TB drive for just over \$2,000.00 to replace the Wastewater Department's system. This should last the wastewater department several years.

Moving forward with IT, Manager Grumbine and Assistant Manager Books are starting to look elsewhere for services as the current company has not followed through with many items guaranteed when the original contract was negotiated. Assistant Manager Books will get the opinion on the new purchases listed above before purchasing from whichever IT company the Township decides to use. Assistant Manager Books bumped up the IT budget about \$2,000.00 to include the additional purchases and the potential of a new IT company.

Assistant Secretary/Assistant Treasurer Lilley asked what the issue is with the Sewer Billing computer that the drive usage is so high? Assistant Manager Books responded the explanation received from PointSolve is that the MuniBilling program is accessed through the internet, therefore the internet browser is open all day. This is increasing the usage. PointSolve believes an increase in memory will help with this problem. Again, before we make this purchase, we would ask the new IT company for their opinion.

Water and Sewer Debt – Assistant Manager Books provided sewer loan information to each member, including the original amortization schedule from Fulton Bank when the loan was refinanced. The Municipal Authority Board had agreed last year to switch their payments from twice a year to monthly, knocking down their interest each time.

Chair Heisey stated that he would like to be more aggressive in paying off this debt and would like to see that done within the next two (2) years. The Municipal Authority Board does have an agreement with the Board of Supervisors to maintain at least \$1 million dollars in Capital Reserve which they could still do. The health of the Capital Reserve budget, including multiple CD's maturing in the next few months, gives them a cushion to place extra principal on the debt. After adding up all the interest on the amortization schedule that will be paid, the total comes to \$233,064. Chair Heisey would like to avoid paying that much in interest.

Secretary Hartman commented that as much as he would also like to see the debt go away quickly, it might not be the wisest decision. He would fully expect comments and complaints from residents that their customer charge should decrease as the debt is gone. He also does not want to drain the account in the event an issue arises. He is comfortable being aggressive with additional principal payments and would agree to putting another large chunk on the loan but does not want to see the reserves go below \$3 million dollars.

Treasurer Dissinger asked if paying this interest impacts them by offsetting their earnings when it comes to the audit. Assistant Manager Books was unsure of this but can find out. Assistant Secretary/Assistant Treasurer Lilley also asked if Assistant Manager Books could check with Brian from BSSF to see what range of funds would be considered alarming if they were to move forward with placing more money on the principal of the loan.

Vice Chair Hawkins reminded everyone that Brian from BSSF always comments about the good standing North Lebanon Township Municipal Authority has. We are one of the healthiest municipal authorities that he works with. She does not agree that the customer charge should or would go down just because the debt is paid off. Every passing year, the sewer system is that much older and will need additional maintenance. Even if the debt is paid off, all the money will still go towards the operation and maintenance as it is likely more sections will need to be replaced.

All members voiced that they would like to continue with aggressive payments to knock down the debt but want to keep the Capital Reserve Fund around \$3 million dollars.

Supervisor Snook asked what the Municipal Authority's total operating expenses are yearly? For 2021, roughly \$3.1 million dollars was budgeted. Supervisor Snook had been told from someone unnamed at another township that for an authority of our size, retaining about 6 months of operating expenses would be sufficient. Assistant Manager Books explained that the last time auditors from BSSF attended the meeting, they stated 18-24 months should be retained to be in good standing.

### **6:00 PM – TEFRA Hearing**

Peter Edelman from Stevens & Lee came to address the Board of Supervisors and the Municipal Authority Board on behalf of Moravian Manors, Inc. The Municipal Authority has acted as a conduit for Moravian Manors multiple times over the years. This allows the retirement facility to take out a tax-exempt loan. In return, the Municipal Authority is given a lump sum. The Municipal Authority is not responsible for the loan in any way. The project being financed will include the design, acquisition, construction, installation, and equipping of 16 new carriage homes, as well as the design and architectural costs related to the design, acquisition, construction, equipping, and installation related to a 30-unit apartment building. Infrastructure improvements required to service the residential expansion project may also include new roads, sewer and water lines, other utilities, etc. They will also be purchasing a medical office building and a home health care agency.

Chair Heisey asked how many residents currently reside at Moravian Manors? Peter informed him they are around 400 residents. Peter also went on to explain the different options offered at Moravian Manors like independent living (carriage homes), nursing care, assisted living, etc.

Peter is asking for approval from both the Board of Supervisors and the Municipal Authority Board tonight.

Supervisor Brensinger made the motion of approval on behalf of the Board of Supervisors and Supervisor Snook seconded.

**MOTION: Motion was made and seconded to approve Resolution #15-2021 to approve the financing by the North Lebanon Township Municipal Authority of certain projects for the benefit of Moravian Manors, Inc., a Pennsylvania not-for-profit corporation serving the public, declaring that it is desirable for the health, safety, and welfare of the people in the area served by Moravian Manors, Inc., and located in the Township of North Lebanon to have the projects provided by and financed through the Authority. Motion approved unanimously.**

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Assistant Secretary/Assistant Treasurer Lilley made the motion of approval on behalf of the Municipal Authority Board and Vice Chair Hawkins seconded.

**MOTION: Motion was made and seconded to approve Resolution #3-2021 for the Authority to approve the issuance and sale of the Notes in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000.00). Motion approved unanimously.**

The public hearing came to an end at 6:10 PM. The Board of Supervisors and Municipal Authority Board continued with their Joint Meeting.

### **Capital Improvement Purchases Split with Township 50/50**

Tamper (backhoe attachment) – The purchase of a tamper is being proposed as a 50/50 split between the Municipal Authority and the Township. The use of this attachment would keep employees out of trenches and still allow them to compact the area. Vice Chair Hawkins asked how often we use this piece of equipment? Supervisor Brensinger responded around 10-15 times a summer. Vice Chair Hawkins then asked how much it costs to rent this piece of equipment? Supervisor Brensinger stated around \$300.00 a week. Vice Chair Hawkins expressed that she does not feel this is a necessary purchase. Treasurer Dissinger and Supervisor Brensinger both stated that the Tamper would last 20+ years. It isn't something that will reappear on the budget frequently. Supervisor Snook agreed that this is a very useful piece of equipment. Treasurer Dissinger made a motion to approve the 50/50 split purchase for the Tamper and Assistant Secretary/Assistant Treasurer Lilley seconded.

**MOTION: Motion was made and seconded to approve a 50/50 split with the Township to purchase a Tamper (backhoe attachment). Motion approved by a majority of the vote 4 to 1, with Vice Chair Hawkins voting no to the purchase of the tamper.**

### **Capital Improvement Purchases Made by Municipal Authority Board**

Omni Site for Water Street & Kochenderfer Road Pump Stations – Assistant Manager Books budgeted for two Omni Site dialers. One is for the Water Street Pump Station and the other is for the Kochenderfer Road Pump Station. Each will cost around \$6,000.00 so Assistant Manager Books bumped the line item up to \$15,000.00 to be safe.

### **Authority Capital Reserve Fund**

Generator – Last month the Municipal Authority Board had discussed switching the purchase of a tow-behind generator and purchasing a generator for the Frances Ann Pump Station instead. After further deliberation, it does not make as much sense to purchase a generator for a pump station that could operate for 3 days after losing power. A new tow-behind generator would be able to provide power to this pump station as well as using it throughout the year whenever and wherever they might need. The quote for a new tow-behind generator came in around \$39,000.00. The current plugs within the pump stations may need to be changed out as well which would be an additional cost.

Chair Heisey asked about the status of the current tow-behind generator. Supervisor Brensinger stated that it still works, it just does not look the nicest. The Township received the generator in

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1997 and it wasn't new then. He believes the generator is from the year 1985. It was used about 3 times this summer.

Treasurer Dissinger asked how many pump stations we have and how many have generators? There will be seven (7) total pump stations once Orange Lane is officially decommissioned and three (3) currently have generators. This leaves four (4) without a generator, however, two of these (Hill Street and Frances Ann) produce very little flows and would not necessarily need a generator. Treasurer Dissinger asked if it would be worthwhile to continue using the tow-behind the Municipal Authority already owns since it works, and purchase a generator for each remaining pump station? The largest stations already have generators, so they would only need to purchase for the two smaller stations. He asked Assistant Manager Books and Supervisor Brensinger investigate the cost to purchase a generator for the remaining stations and compare it to the cost of a new tow-behind generator.

### **10-year Capital Improvement Plan – Scott Rights**

An updated copy of the 10-year Capital Improvement Plan was provided to each board member. Engineer Rights explained the document to Supervisor Snook and the purpose behind it. This allows the Municipal Authority Board to see and plan for expenses anticipated over the next 10 years. A conservative number of tapping fees are listed to show the constant balancing of revenue/expense over the years. This does not include an increase of tapping fees, user rates, etc.

Treasurer Dissinger wanted to thank Engineer Rights for preparing this document every year. It is a very helpful tool in determining projects and fees. This chart has helped the Municipal Authority Board avoid raising rates the past few years as they have been equipped to handle various expenses.

Atty. Leonard pointed out that to date, the Municipal Authority has not had to build a Capital Reserves Part into their Customer Charge. The abundance of development and tapping fees have greatly benefited the Municipal Authority. At some point, those tapping fees won't be coming in as there is only so much land and they will have to build in the additional charge even if the debt is gone.

Supervisor Brensinger thanked Engineer Rights for this chart but would also like to praise the Municipal Authority Board for their frugality when it comes to spending money and using wisdom. That has helped pay down the debt immensely.

### **Comments from Board Members**

Supervisor Brensinger commented that he is thankful for the development within North Lebanon Township and for the EDU purchases. It has helped the Municipal Authority Board in their ability to aggressively pay down on the loan.

Supervisor Snook told the Municipal Authority Board members he is very impressed with their progress and how they have made headway with paying off the loan. He would like to continue learning more about the Municipal Authority side of things. He is thankful for the Wastewater Crew that he daily works with at the Township. Both Supervisor Snook and Supervisor Brensinger are lucky to have crew members who are interested in helping all departments and those who have

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pursued a Wastewater license even though they are on the Highway Department. It is very helpful to have the extra hands when needed.

Chair Heisey commented that he is always thankful for the Joint Meeting and being able to take the time to discuss matters of importance.

With nothing more to discuss, the joint meeting adjourned at 6:57 PM.

Respectfully Submitted,

Molly Lum  
Recording Secretary