

**Minutes  
Joint Meeting  
North Lebanon Township Municipal Authority  
North Lebanon Township Board of Supervisors  
November 12, 2020**

An advertised special joint meeting of the North Lebanon Township Municipal Authority and the North Lebanon Township Board of Supervisors was held on Thursday November 12, 2020 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:**

Richard E. Miller	Chairman
Edward A. Brensinger	Vice Chairman
Cheri F. Grumbine	Township Manager

Absent: Arden Snook

Molly Lum, Sewer Billing Clerk, was also in attendance.

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

**2021 Budget**

The Board of Supervisors and the Municipal Authority Board gathered for their annual Joint Meeting. First on the agenda was the budget for 2021.

Water and Sewer Rates – There will be no increase in the water or sewer rates for 2021 by the Municipal Authority, however, the City is raising their usage rates in April. This is a pass-through fee for the Municipal Authority.

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

Vehicle Maintenance – The amount for Vehicle Maintenance was increased slightly for 2021 to compensate for eight (8) new tires for the flusher truck. This vehicle was purchased in 2008 and

still has the original tires. At the last meeting, Vice Chair Hawkins had asked Supervisor Brensinger to look into the amount quoted for these tires. Supervisor Brensinger did speak with the Township Mechanic and the estimate provided includes the removal of the old tires, installation of new tires, and balancing. The Municipal Authority Board was fine with this purchase.

Repair and Maintenance – The amount for Repair and Maintenance includes extra money to decommission the Orange Lane Pump Station. This may or may not happen in 2021 depending on the outcome of the land development plan for Project TV.

Office Equipment/IT – The amount for Office Equipment/IT includes additional funds for increased cyber security. Manager Grumbine and Assistant Manager Books would like to be more proactive in hopes of stopping any type of cyber-attack rather than being reactive. They have met with multiple IT companies and hope to choose a new company very soon.

Additional Payments on Water and Sewer Debt – Assistant Manager Books is seeking the approval from the Municipal Authority Board to place additional money on the water loan. After reviewing the bank statement, she stated she can safely recommend placing an additional \$25,000.00 on the water loan as it would leave enough to make the interest payment in the Spring. Currently, she does not suggest putting extra money on the sewer loan at this time considering we just made an extra payment of \$450,000 in September. Manager Grumbine and Assistant Manager Books were thinking that once the final audit is completed, the extra income could all be placed on the loan rather than transferred to the Capital Reserve Account.

Assistant Manager Books has been looking into refinance/rate modification options for both loans. Interest rates are lower than they have been for some time and it would be quite beneficial to lock in at a lower rate. Assistant Manager Books reached out to her contact at Adams County National Bank which holds the Municipal Authority's water loan. He offered a rate modification from 2.66% to 1.60%. This would be locked in for seven (7) years from signing the new documents. Because of the tax-exempt classification held by the Municipal Authority, the opinion of Bond Counsel is required for the rate modification. Amy anticipates the cost of Bond Counsel will range from \$7,500.00 to \$10,000.00. Assistant Manager Books has done some preliminary calculations for the water loan. She foresees the attorney fees and Bond Counsel costs being recovered in approximately 1.5 years.

The Municipal Authority's sewer loan is held by Fulton Bank. Assistant Manager Books reached out to her contact and was surprised at how little he was willing to drop the interest (2.33% to 2.22%). She emailed him again and asked if he would re-evaluate his offer taking into consideration that ACNB offered us a whole percent lower. He did come back with a little bit better offer, offering a rate modification from 2.33% to 2.04%.

Treasurer Dissinger asked why the two loans are held by two separate entities. Asst. Sec./Treas. Lilley responded that the Municipal Authority had to bid this out and the lowest offer won. Treasurer Dissinger then asked if Adams County National Bank would be willing to take on the sewer loan and offer the same interest rate. Assistant Manager Books stated that is an option, however, it would be considered a complete refinance rather than just a rate modification and may increase the fees. Solicitor Leonard reported that she is meeting with Bond Counsel tomorrow as she anticipated some additional questions. One question being that if a different bank institution were offering a competitive rate, would it make sense to shop around with their

larger loan? Assistant Manager Books reminded the Board Members that if they would lock in the sewer loan at this rate, it is scheduled to be paid off in 2027; refinancing could affect that.

Chair Heisey asked why the loan payments are structured to only make two payments a year (two interest and one principal)? Could monthly payments be made and continue knocking down the interest and principal? Solicitor Leonard responded that the Municipal Authority Board is free to make monthly principal payments if they choose. Chair Heisey suggested that an additional \$10,000.00 principal payment be made every month as the Municipal Authority Board already approved an additional payment of \$100,000.00 per year. This would help knock interest and principal down. Asst. Sec./Treas. Lilley stated that paying the additional \$100,000 per year all at once early in the year would be a better move to reduce the principle and accrued annual interest as this is a budgeted item.

**MOTION: Motion was made and seconded to place an additional \$25,000.00 on the water loan. Motion approved.**

**MOTION: Motion was made and seconded for Assistant Manager Books to pursue rate modification options and/or additional principal payments. Motion approved.**

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

Trench Roller – this item was removed from the budget for next year.

Office Policies Procedure Manual – this item was removed from the budget for next year.

Front Office Renovations – For safety and sanitation mitigation, glass is proposed to be installed in the front office. Two slots will be cut out so that paperwork can be passed between residents and employees. There will also be speakers above each slot to allow conversation. This is listed as a 50/50 split between the Township and the Authority. **All Board members agreed to the 50/50 split.**

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

N 8<sup>th</sup> Avenue Generator – The N 8<sup>th</sup> Avenue pump station is the 2<sup>nd</sup> largest station within North Lebanon Township. The Municipal Authority Board had agreed to purchase a new back-up generator every year until each pump station was covered. The order was determined by the demand/flow of each station.

#### **Authority Capital Reserve Fund**

Lantern Drive Sewer Extension – The sewer extension on Lantern Drive/E Maple Street began today. They are anticipating being finished by Tuesday. The Municipal Authority Board has budgeted \$20,000.00 for this project in the 2021 budget proposal. The estimate came in around \$9,320.00. Since this projected is expected to be completed this year and due to the decreased cost estimate, the payment may come out of the 2020 Budget and will then be removed from the 2021 Budget.

Orange Lane Gravity Line – The Municipal Authority Board would like to eliminate the Orange Lane pump station and install a gravity line which would carry the sewer to Elias Avenue. This

proposed project may or may not occur in 2021. Scott Rights, Municipal Authority Engineer, continues to work with the developer of Project TV to come to an understanding as to how this project would be completed. For now, the full construction cost is included in the 2021 Budget.

Treasurer Dissinger asked if the Municipal Authority could still afford this project if the developer decided not to move forward with their project. Solicitor Leonard and Engineer Rights both responded yes as the full amount has been accounted for in the 10-year plan. The Municipal Authority will also be receiving tapping fees for every EDU Project TV needs to purchase, should their project receive all approvals.

Hill Street Pump Station Improvements – Improvements are planned for the Hill Street Pump Station in 2021. This has not been done since 1991. The old piping and the railings have accumulated lots of rust and they need to be replaced.

### **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 Chairman Miller, of the Board of Supervisors, and the purpose behind it. This allows the Municipal Authority Board to see and plan for the 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.

### **Mandatory Water Connection – Amy Leonard, Esq.**

A section of the Township had failing and/or contaminated on-lot wells. The North Lebanon Township Municipal Authority extended public water to this specific section and had to take out a loan to cover the costs. North Lebanon Township adopted a mandatory connection ordinance for those located within 150 feet of public water. All residents within the water project area were required to pay a water tapping fee and connect to the public water system. All those mandated to connect to public water then started receiving a water bill from CoLA which includes their usage and a \$60.00 water debt fee every quarter. The \$60.00 debt fee is transferred from CoLA to the North Lebanon Township Municipal Authority to pay the water debt loan.

The City of Lebanon provides Assistant Manager Books with a non-payment report for the water project quarterly. Assistant Manager Books noticed that one of the property owners who was mandated to connect has not been making payments for several years. His account is delinquent and the total amount now due is up to \$3,557.25. Approximately \$2,800.00 is owed to us towards the debt and \$800 is due to CoLA for the usage. The amount due to us is strictly for the debt and the amount owed to CoLA is strictly for the water usage. This account is being charged the minimum usage for water every quarter, which leads us to believe the resident is still using their well for water service and not the public water.

After researching this property, it was discovered the resident had paid the tapping fees for the connection years later, after much effort from the Municipal Authority and Solicitor Fred Wolf. The question is, did they ever make the connection? If the connection was made and the resident

is not using public water, they will be charged the well rate as they are continuing to use their well. Solicitor Leonard could then begin her collections process on the outstanding balance. If the resident never completed the connection, Solicitor Leonard would need to start over and send a new mandatory connection notice to start the clock over again.

Solicitor Leonard reminded the Municipal Authority Board that they could always go in and make the connection themselves if we determine the connection was not made. The resident would then receive a bill plus 10% for the completed work.

All Municipal Authority Board members agreed that this resident should be pursued and should be required to pay the money due. Other residents were mandated to connect and pay the debt fee. It is only fair to make this resident comply as well. Assistant Manager Books will check with CoLA to see if this property ever actually made the connection to the public water.

### **NLTMA Member Term Expirations**

Chair Heisey's term expires the end of this year and he agreed to be a member of the Municipal Authority Board for another 5-year term. He will be reappointed in January.

### **Comments from Board Members**

Treasurer Dissinger took a moment to recognize and thank Assistant Manager Books for all she has done since taking this position 5 years ago. She has come across many issues and has taken care of them accordingly.

Treasurer Dissinger also questioned Assistant Manager Books and Manager Grumbine about cross training so that if one needs to be off, the other is able to locate items within the office. Assistant Manager Books and Manager Grumbine both agreed on the importance of cross training and assured Tod that they are taking steps to ensure everything would be covered.

Supervisor Brensinger thanked the Municipal Authority Board on behalf of the Supervisors for the amount of the debt they have reduced over the last 5 years. This has helped save on interest and reduce the loan length.

Chair Heisey thanked the office employees for all the work done from within the office. He appreciates their demeanor when dealing with phone calls, residents, etc.

Vice Chair Hawkins thanked the Board of Supervisors for all of their work and for working well with the Municipal Authority Board.

Manager Grumbine asked all present Board members if they would have an interest in changing the annual Joint Meeting to another date in hopes all members could attend. All members present from both Boards were in agreement to move the Joint Meeting next year to the Municipal Authority Board's October 14<sup>th</sup>, 2021 meeting.

**MOTION: Motion was made and seconded to amend the 2021 meeting date schedule and move the Joint Meeting to October 14<sup>th</sup>, 2021. Motion approved.**

With nothing more to discuss, the joint meeting adjourned at 6:58 PM.

Respectfully Submitted,

Molly Lum  
Recording Secretary