

**Minutes
Joint Meeting
North Lebanon Township Municipal Authority
North Lebanon Township Board of Supervisors
November 14, 2019**

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 14, 2019 at 5:30 PM at the North Lebanon Township Municipal Building, 725 Kimmerlings Road, Lebanon, PA with the following people present:

Municipal Authority:

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
Bruce Sattazahn	Treasurer
Cheri F. Grumbine	Township Manager

Absent: Frederick S. Wolf

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

Chair Heisey acknowledged Molly Lum who attended the meeting.

2020 Budget

Gary Heisey started off by introducing the purpose of this meeting which is to look over the budget for next year and make sure it covers everything needed.

Water and Sewer Rates – There will be no increases in the water and sewer rates for 2020.

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

Sewer and Water Debt – Lori is anticipating putting an additional \$140,000.00 on the sewer loan to be taken from tapping fees received in 2020. Between the Crossings, Mapledale, and the proposed townhouses, the Authority should see a steady income of tapping fees. The additional \$140,000.00 in tapping fees will be put on the loan on top of the additional \$100,000.00 the

Authority has already agreed to put on the principal. That would be an additional total of \$240,000.00 paid directly on the sewer loan principal.

Lori has estimated about \$73,000.00 will come in from the water tapping fees as Mapledale and the Crossings are located within the water project area. This will be an additional payment on the water loan principal.

After several board members became aware of misinformation being spread throughout the community it is noted that the Authority is doing well and has been continuously putting additional payments on its loans. As a result, both loans have been shortened by a few years and progress is continuing to be made.

Three years ago, the Authority's sewer debt was \$8.8 million dollars. Since the decision was made to put additional payments on the principal whenever possible, the debt is currently at about \$5.5 million dollars. Similarly, the water debt three years ago was \$2.1 million dollars, and the Authority has brought the amount still owed down to \$1.5 million dollars. As a result, the sewer debt is currently on schedule to be paid three years early, and the water debt one year early at significant savings to the rate payers who are connected to the sewer system.

Orange Lane Pump Station – Scott informed the Board the potential developer of the Bare tract is still in a “due diligence” phase. The developer and their consulting firm have been going through conceptual layouts and calculating costs to determine if they should continue moving forward with the project.

Scott spoke with the developer's consultant to let him know the Authority has a conceptual idea of possibly eliminating the Orange Lane Pump Station by running a sewer line from Elias Avenue to Orange Lane. Scott asked the developer's consultant if he (Scott) could provide them with a drawing of the proposed sewer line if they would be willing to incorporate it into their building design which would result in cost sharing. The developer seemed open and agreeable to the idea. Scott received a partial sketch about a week ago from the developer which included the Authority's potential sewer line. In the drawing, it shows the sewer connection for the new building coming out of the south east corner of the building. There has been no discussion on who would pay for what, but it is a good sign that they included the sewer line in their design.

The Authority has secured the necessary easements from Mr. Santana and from Mr. Hershey for the proposed sewer line. This is a permanent easement and will remain whenever either property is sold.

Capital Improvement Purchases Split with Township

Aluminum Trench Box – Ed brought this item to the Authority's attention last month. As of now, a trench box is either rented or borrowed when they have work within in a trench to prevent the walls from caving in. It would be much simpler and cost effective to invest in one of these tools. The split would be 50/50 between the Township and the Authority. **Both Boards agreed to the purchase and the split.**

Copier – The current copier in the general office has been having a lot of issues lately. It has been used hard for the last 10 years. This item will also be a 50/50 split between the Township and the Authority. **Both Boards agreed to the purchase and the split.**

Office Policies Procedure Manual – The front office has many unwritten procedures that the auditors have recommended be documented in an official manual. This would help prevent any confusion and hold the same standard when new employees are hired. Cheri informed both boards that this could cost up to \$15,000.00 (\$7,500.00 each). **The Authority and the Board of Supervisors agreed to a 50/50 split.**

IT Equipment for Board Room – Cheri and Lori presented to both Boards their request for new IT equipment in the meeting room. They requested a new projector to be mounted on the ceiling that would allow for a split screen for additional viewing as well as a new screen for the side wall. All documentation that is being viewed during a meeting/training could easily be seen by all in attendance.

Dawn spoke up immediately to express that, in her opinion, the Authority would not use this equipment enough to make it worth their while. During the meetings they don't typically use the projector or screen as is. Cheri commented that it would be handy when Scott brings plans, drawings, or maps in to simply put it up on the screen.

Rodney also stated that in his experience, this piece of equipment is not reliable. He has been assigned to use these projectors in the past and they seem to always fail. He questioned Cheri if she plans to use an HDMI cord as the connector or if it will go through Wi-Fi. Either way, there needs to be secure measures taken by keeping the HDMI cord hidden or being sure the public doesn't have access to the Wi-Fi connection to the projector.

The Authority understands that this will be an item that benefits employees as well, so they don't mind contributing, but don't think this is a 50/50 split. The public doesn't attend the Authority meetings as often as they attend the Board of Supervisor meetings. The other Boards that may use this equipment also fall under the Township side of things when it comes to funding.

MOTION: Motion was made and seconded to contribute \$500.00 to the cost of the new IT equipment. Motion approved.

Capital Improvement Purchases Made by Authority

Rockwood Pump Station Generator – The Wastewater crew brought this to Ed's attention as Rockwood loses power quite often during storms. This will help eliminate the scrambling around that everyone has to do to try and get the pump station back up and running. It is the Authorities goal to buy a new back-up generator every year until each pump station has one.

Lori has budgeted \$52,000.00 for a back-up generator as well as the \$5,000.00 5-year warranty that the Wastewater Crew have requested. Tod mentioned last month that there could be potential of getting the same warranty cheaper. Ed told the Board that he will call his contact to see if he can negotiate the cost of the warranty. Lori will also need to add the additional cost for the concrete pad and fencing. **The Authority approved this request.**

Push Camera – The Wastewater Crew would like to purchase a push camera, so they have access to videoing the smaller lines and laterals. There have been incidents of clear water rushing into the lines but by the time they could rent a push camera or have the resident pay to have the line videoed, the water table has gone down and it looks like there are no issues. If this item is purchased, the

Wastewater crew will have immediate access to video the line and can offer this service much cheaper than a plumber. The purchase includes delivery and training. **The Authority approved this request.**

Computer for Sewer Billing Clerk – Lori is requesting the purchase a new computer for the Sewer Billing Clerk as her computer has been running out of memory. The new computer will have the capacity to sustain the program, saving documents, and all miscellaneous work in between. **The Authority approved this request.**

10-year Capital Improvement Plan – Scott Rights

Scott updated the 10-year plan for the Authority’s finances which covers all income as well as proposed expenses. Beginning with the charge per EDU, Scott presented projections for the Authority to determine if it will break even or not after accounting for all revenues and expenses. Scott presented a chart based on the Authority gaining 10 EDU’s (new lot connections) every year which is a conservative number.

Schedule 2 provides all the NLTMA sewer system operating expenses that are considered O&M. The expense from the City of Lebanon Authority is a pass-through charge as each resident receives that amount on their invoice. Therefore, it is removed from the O&M calculation. Scott can then take that total, in addition to the budgeted debt service for the year, to figure out what shape the Authority is in financially. His number for debt service does not include the additional payments of \$100,000.00 or the additional tapping fees that are put on the loan.

Board members then discussed the break-even rate total that Scott presented. One day the debt will be paid off. However, the Board recognizes the O&M continues to increase every year. At this point, the Authority has a nice cushion in the event something goes wrong and is still healthy enough that they can be proactive in paying off the debt.

Scott asked the members to turn to the third page to look at Capital Improvements. He has laid out potential purchases or projects that may occur within the next 10 years and an estimated cost for each. The members reviewed and discussed the chart and agree with all potential items.

Tod questioned where money for the manholes is budgeted. Lori and Ed both confirmed there is an amount of \$100,000.00 in the O&M section under repair and maintenance that would include any wear and tear on the manholes.

Dawn commented about both Kimmerlings Road sewer extensions being projected for the same year. This year a survey was sent out in terms of the resident’s desire for public sewer. The majority came back answering “no”. It is highly unlikely that things would change in the next few years where the majority will change their minds. Ed agreed and said the only reason this may happen is if DEP would mandate the Authority to extend public sewer to this area of the Township.

The best strategy for the Board moving forward would be to base rates and payments in accordance with this 10-year plan. It reveals every potential project or item to purchase over the course of 10 years and can assure the members and the public that they are being wise with the budget. If all goes to plan, the Authority will have the freedom to make necessary purchases when needed and continue growing with a healthy budget.

NLTMA Member Term Expirations

Rodney agreed to be a member of the Authority Board for another 5-year term. He will be reappointed in January.

Comments from Board Members

The Board of Supervisors extended their thanks to the members of the Authority Board for all the work they have done.

With nothing more to discuss, the joint meeting adjourned at 6:54 PM.

Respectfully Submitted,

Molly Lum
Recording Secretary