

Minutes
North Lebanon Township Municipal Authority
July 13, 2017

The meeting of the North Lebanon Township Municipal Authority was held on Thursday, July 13, 2017 at the North Lebanon Township Municipal Building, 725 Kimmerlings Road, Lebanon, PA with the following Board members present:

Dawn Hawkins	Vice Chair
Brian Hartman	Secretary
Rodney Lilley	Assistant Secretary
Fred Wolf	Henry and Beaver, LLP
Scott Rights	Engineer-Steckbeck Engineering
Edward Brensinger	Roadmaster/Supervisor
Cheri Grumbine	Township Manager
Lori Books	Administrative Assistant
Amy Leonard, Esq.	Henry and Beaver, LLP
Absent-	Gary Heisey
	Tod Dissinger

Also in attendance were Jim Kootz and Brain Marchuck from BSSF.

The meeting was called to order by Vice Chair Dawn Hawkins and the pledge to the flag was recited.

Dawn turned the meeting over to tonight's visitors who came to talk about, and review, the NLTMA Financial Report for 2016. Brian stated they are going to give their unmodified/clean opinion. Pages 3-8 include financial statements, highlights, and comparisons. There is also a section drafted by the Authority about ongoing and finished projects. Brian started by taking the Board through the balance sheet. Next, they took a look at the income statement. It was noticed that the water operating budget had a loss of about \$28,000 while sewer operating budget had an income of about \$723,000. Some money was transferred to cover a portion of the debt service. The report also lists the debts and what the Board has borrowed throughout the year. The Rockwood project was brought to the Board's attention because in 2015 we had \$79,000 that was picked up as a grant but entering the 2016 audit, they noticed the debt had gone up. Apparently, the \$79,000 grant was reclassified in the loan section. Scott explained that after a job is finished, it is normal to rebalance the totals and cut back the grant. No other problems or concerns were found with the financial report. There were a few questions from the Board about some money dealing with the developers that Brian and Jim answered.

COMMENTS FROM THE PUBLIC:

There were no comments from the public, as there was no public in attendance.

Vice Chair Hawkins asked for a motion to approve the June minutes.

MOTION: Motion was made and seconded to approve the June minutes. Motion approved.

Chairperson Hawkins asked for a motion to approve the invoices and requisitions for payment all subject to audit.

MOTION: Motion was made and seconded to approve invoices and requisitions for payment all subject to audit. Motion approved.

SOLICITOR’S REPORT – Fred Wolf

- Comments from the public
 - After having a resident speak last month during the joint meeting, Fred, Cheri, and Lori think it might be best to adopt a policy which states all comments will be held until the end of the meeting. The group only meets twice a year and time is limited.

Fred requests a motion to adopt a policy stating that during the Joint Meeting, all comments from the public will be held until the end of the meeting after all their business has been addressed.

MOTION: Motion was made and seconded to adopt a policy stating that during a Joint Meeting, all comments from the public will be held until the end of the meeting. Motion approved.

- Previous lawsuit
 - A report was recently reviewed which indicated about \$500,000.00 was missed when it came to the final payout to the claimants. A 30-page report was given to Fred’s office which explained how the money was dispersed in 2016. We did receive a check in the amount of \$21,000. Item #8 will no longer be on the report anymore.
- New Covenant Christian School
 - The amount of EDU’s they have purchased years ago was questioned as to whether they need to buy more with their increase in students. They currently aren’t using the number of EDU’s they already own. Lori researched some other schools and found that they all have purchased multiple EDU’s and are only using a minimum amount. Essentially, they are paying for something they aren’t using. Lori took that information to John Beers; he agreed to meet with Lori to discuss it.

- Lincoln Mobile Home Park
 - An agreement is in the works with the mobile home park and after this past billing cycle, it was realized the original \$1,500.00 escrow would not be enough to cover the delinquent sewer bills. Fred informed the board that they are looking to increase the amount to \$2,500.00 to cover all the delinquent accounts. An amendment will be made to the agreement and further information will be given to the board at the next meeting.

ENGINEERS' REPORT – Scott Rights

- Abel Recon- Slip Lining
 - Scott gave the board the pricing to reline all of the pipes and what it would cost for the project. The contractor came back with an estimated total of \$496,676.73 for this job which includes all pipe sizes. Rodney suggested the members wait until next month to make a decision because Gary and Tod are both absent from the meeting. They also directed Scott to obtain a second quote from another entity.

MOTION: Motion was made and seconded to table action on relining the pipes until next meeting when Gary and Tod can be present and Scott can provide additional information from the other entity. Motion approved.

- Pump Station- close out contract
 - At the last meeting, splitting the cost of repairs was denied and Scott informed B&R. A revised set of the drawings was sent on Monday and Scott let Bonnie know that we should now be able to pay B&R the final payment for this project minus the cost of the pump repair.

ADMINISTRATIVE REPORT – Lori Books

- Godshall's- Agreement for the right to purchase 15 EDU's within 5 years
 - Last month Scott confirmed we have the capacity to allow this purchase and since then, they have signed the contract and all that is left is for the board to approve it.

MOTION: Motion was made and seconded to approve the contract with Godshall's allowing them the right to purchase 15 EDU's within the next 5 years. Motion approved.

- Sewer Loan Payment
 - The next sewer payment is due on September 15th, 2017. Cheri and Lori reviewed our revenues and are requesting to make the payment early. They would like to make a payment of 1 million dollars which would reduce our interest and the length of the loan. This payment would cover the principle amount of \$614,000, the interest amount of \$100,000, and place \$286,000

extra on principle.

MOTION: Motion was made and seconded to make the sewer payment early and add on the extra cost for the principle amount to reduce interest. Motion approved.

- Lincoln Mobile Home Park
 - This was covered in Fred's report.
- Pump Stations Annual Safety Inspection
 - Tom K. and Lori did the annual inspections for the safety committee and everything looked good. Most stations are new so the only issues were weeds and grass beginning to grow in the pavement areas. There were also wasp nests that Tom already sprayed.
- EDU reduction/increase
 - Reductions:
 - Craig Schultze was not contacted yet. He currently has 1.5 EDUs, however he doesn't come close to using that amount. The board directed Lori to send him a letter.
 - Snow Goose leases the property and the owner is not interested in reducing.
 - Randy Ebersole has not responded.
 - Citizens Bank has returned 14.
 - Hobby Lobby has not responded.
 - Litz did not want to return any.
 - The Weber's signed their agreement and will only keep 1 EDU.

MOTION: Motion was made and seconded to approve the Weber agreement allowing them to return 1 EDU. Motion approved.

- Leshar has also finished returning EDU's.
- JTM & M has not responded.
- Increases:
 - Key investment partners have added 2 EDU's.
 - Kochenderfer's Church called Lori this week and she hopes to have the paperwork by the August meeting.
 - Justine Pizzoli was not yet contacted. She has 2 EDU's currently and is only using .5 - .6 EDU's consistently. There is a banquet room located in the building but it does not seem to be in use. Lori is going to remove her from the list.
 - Salvation Army sent in their paper work and added 3 more EDU's.
 - Dairy Queen just responded this past week and received an additional 2 EDU's.
 - Levi Lapp had the correct EDU count.
 - PA Natural Chicks are still being monitored to have a final decision of how many EDU's they must purchase.

- Benecon- received surplus check from 2016
 - The insurance surplus check has arrived in the amount of \$2,333.52 for the Authority.
- SMP
 - There were 714 notices sent out on April 3rd and as of today, 283 forms were returned. August 31st is the deadline. Lori and Cheri decided to send out a second notice to remind the residents and avoid the certified letter fees at the end of the cycle.
- Water Loan Payment
 - There is currently \$191,645 in the account which is strictly for the loan. The next payment is due in September. The principle amount is \$86,000 and the interest is almost \$30,000. Lori asked the board about putting extra on principal. The board asked Lori how much extra she would like to put on the loan. Lori said between \$30,000 and \$35,000. Lori and Dawn both felt as though making a payment \$150,000 to cover the payment, the interest and extra on principal would be a good amount to pay.

MOTION: A motion was made and seconded to pay \$115,000 for the water loan early with an additional \$35,000 to be put on principal. The board will pay \$150,000 total. Motion approved.

- City of Lebanon Authority (CoLA)
 - Lori attended a meeting at the City of Lebanon Authority on Monday and informed the board that CoLA is discussing increasing their capacity fees and raising their rates. CoLA is currently having a study done to determine what direction they will be going. They are hoping to have the study done in the near future, with hopes of rate increases taking effect in January.

WASTEWATER DEPARTMENT REPORT – Ed Brensinger

- June activity report
 - The intersection of Maple and 8th Avenue needed a very large storm water pipe replaced. There was a high-pressure gas pipe underneath. A day of work was saved due to using the sewer truck for hydro excavation.
 - The new camera has been used multiple times for the storm water pipes. It has revealed many pipes that needed replacing as well as those which didn't (huge time saver). The camera allows the guys to monitor the laterals but cannot record them.
 - Tom K. and Ed have been dealing with the Hampton site contractor. A vacuum test on the sampling manhole is all that needs to be completed.
 - Tony's license has been sent in & they are currently holding off on Dave's.
 - Both men are working on their spray licenses as well.

ATTORNEY REPORT- Amy Leonard

Delinquent Sewer – Updates - #21, #22, #23 were not looking well for recovery but a request was put in to payoff #21. #28 will most likely foreclose and #29 has not been tracked down. Payment plans are looking good as of now.

Additional Comments and Questions

With no more business for the good of the Authority, the meeting was adjourned at 8:31 p.m.

Respectfully Submitted,

Molly Finley
Recording Secretary