

Cecil Township Municipal Authority
Monthly Meeting
June 15, 2010

The Cecil Township Municipal Authority held its' regular monthly meeting on Tuesday, June 15, 2010 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 6:05 PM with Kenneth Heirendt, Blane Volovich and Stephanie Lucchino present. Also present was Sean Garin, Gaitens, Tucceri and Nicholas; Eric Tissue, KLH Engineers, Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF MAY 18, 2010

The Board on a unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt approved the minutes of the meeting of May 18, 2010.

PRESENTATION OF 2008 AUDIT REPORT

Mr. Steven Cypher, Managing Partner - Cypher and Cypher CPA presented the 2009 audit report to the Board.

The Statement of Net Assets – Proprietary Fund reflects total assets of \$39,591,941 and total liabilities of \$17,154,611 with equity of \$22,437,330.

The Statement of Revenue, Expenditures, and Changes in Net Assets – Proprietary Fund reflects operating revenue of \$1,849,932, operating and maintenance expenses were \$1,532,687, other non-operating expenses of \$764,270, other non-operating income of \$219,811, grant income of \$5,000,000 and net income of \$4,570,322. The administrative expenses were \$202,464.

Steven Cypher referred the Board to the Statement of Revenues, Expenditures and Changes in Net Assets; Statement of Cash Flows and State of Revenues, Expenditures and Changes in Net Assets – Budget vs. Actual in discussing various changes in the financial position from the previous year.

Steven Cypher discussed comments in their management letter to assist the Board and management on methods to strengthen internal controls and accounting systems. A part of the letter addresses a disaster recovery plan, investments and cash management, infrastructure, fixed asset appraisal and risk management.

ENGINEER REPORT

DISCUSS PROPERTY RESTORATION FOR MILLERS RUN PROJECT AREA

Michael Sherrieb, KLH Engineers discussed the results of their review for the properties on the restoration list. He stated a number of properties have been removed from the list as it appears the restoration was completed. The estimated cost for the work to be completed is \$30,000 down from the report cost of \$68,345. The project will be ready for bid the week of June 20 and the project will be bid on a unit price basis. Kenneth Heirendt suggested a letter to the property owners involved advising them on the restoration plans. The staff will draft a letter for review by the solicitor.

Michael Sherrieb stated a geotechnical review of the land slide on Brookside Drive should be completed. The estimated cost for this repair is \$26,000. Kenneth Heirendt offered to review the slide and discuss his opinion with Walter O'Shinski and Eric Tissue.

Michael Sherrieb stated the replacement of the electrical pole at PNC Bank and the sign for Ridgewood Heights subdivision are issues that may need to be resolved as well. Dennis Bell stated that many calls have been received from residents in Ridgewood Heights regarding their sign and requesting the sign be replaced. Donald Gennuso suggested the staff work with Tom Casciola for obtaining the sign and having it temporarily replaced, as future line work will be required in the area of the sign.

The Board on unanimous vote on motion by Kenneth Heirendt and second by Blane Volovich authorized advertising a bid for the landscape restoration work on the Millers Run project interceptor, southwest and southeast contracts.

UPDATE ON ELM DRIVE GRINDER PUMP PROJECT

Walter O'Shinski advised the Board that the Redevelopment Authority of Washington County awarded a contract to Ferri Contracting to complete the project at a cost of \$99,840. The contract will be paid from the local share funds. A pre-construction meeting is scheduled for June 24, 2010 at 10 AM.

AUTHORIZE CLEANING SOUTHPOINTE INTERCEPTOR

Eric Tissue advised the Board that three companies were contacted for providing the service to clean sections of the sanitary sewer interceptor pipe in Southpointe. State Pipe Company declined to submit a proposal due to work load; Insight Pipe quoted \$17,500 and Robinson Pipe Cleaning Company quoted \$ 220 per hour with estimate time involved to complete the work at 2 days. The Board on unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt authorized hiring Robinson Pipe Cleaning Company for the rates quoted but not to exceed \$10,000 for the work.

LONE PINE CONSTRUCTION – FINAL PAYMENT

Michael Sherrieb advised the Board that final payment of \$20,000 needs to be made to Lone Pine Construction Company. He stated the company provided closing documents except the two-year maintenance bond. He stated the expiration of the maintenance period has elapsed and that the company was available to handle any maintenance issues that arose during the two-year period. Walter O'Shinski stated the release of the funds should occur only after the electrical repairs are made on the hoist crane at the Millers Run pump station site.

ALTO PIANO SPECIAL CONSTRUCTION REQUEST – PHASE 3, 6, 8 & 9

Walter O'Shinski advised the Board of the request made by William Graziani to begin sewer line construction in the Alto Piano plan for phase number 3, 6, 8 & 9 prior to having PA DEP approval of the planning module. He stated in speaking with Emily Shade from PA DEP, the comment was made that the Municipal Authority has no authority to permit the work prior to approval of the plan. Donald Gennuso stated that a letter to Cecil Township stated that ten items on a punch list needed to be completed by the developer and the request was denied.

COMMENTS FROM THE FLOOR

Donald Gennuso inquired if anyone in attendance wished to address the Board.

SOLICITOR'S REPORT

Sean Garin stated his monthly report was circulated to the Board prior to the meeting. He stated three issues related to litigation with Sitarik and Flecher and district magistrate matters will be held in Executive Session.

Sean Garin reported on his review of an agreement titled Mission Hills Plan of Lots Reserve for Improvements. The agreement was accepted by the Community Bank which is providing the development financing for the project. Walter O'Shinski stated the reserve would replace a performance bond. Sean Garin stated the fund would be sequestered and we would apply to the bank for release of funds from the account to cover costs. Sean Garin stated he wants some of the language changed in the agreement and will communicate with the developer.

The Board on unanimous vote on motion by Kenneth Heirendt and second by Blane Volovich authorized signing the final agreement.

Sean Garin discussed with the Board an issue on refunding of tap-in fee for a property sold and closed and the lien satisfied. He stated both buyer and seller are requesting the fifty (50) percent refund on the tap-in fee. He suggested a letter should be

sent to the attorneys representing the buyer and seller stating the issue needs to be worked out between them. The letter should state that any costs for additional work completed by our solicitor will be deducted from the refund.

Sean Garin discussed the issue with the RUS grant and loan funds provided to fifteen (15) property owners in the Millers Run project. He stated two options exist – one being the entire amount of the refund be returned to RUS for their disbursement and the other option to obtain from the RUS a listing for those individuals that received loans are to refund a percentage of the money based on the amount of the loan received from RUS. Sean Garin stated he is awaiting a decision from the RUS.

BUSINESS MANAGERS REPORT

RATIFY PURCHASE OF 2010 FORD F250 TRUCK

The Board on a three to one vote ratified the purchase of a 2010 Ford F250 truck at a cost of \$22,420. The purchase was completed on June 7, 2010. Kenneth Heirendt voted no.

APRIL 2010 FINANCIAL REPORT

Dennis Bell inquired of the Board if anyone had questions on the financials for April 2010. Kenneth Heirendt commented on the monthly depreciation expense.

CORRESPONDENCE

The correspondence was reviewed for filing.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

A unanimous vote on motion by Blane Volovich and second by Stephanie Lucchino the Board authorized payment of expenses and transfers as follows.

DMR Review and Approval
Payment of Expenses/Invoices etc.
Employee Payroll; 941 Tax Deposit; Employee State Tax Payment
Discharge Monitoring Reports were approved for submission to the PA DEP

EXECUTIVE SESSION

The Board on motion by Kenneth Heirendt and second by Stephanie Lucchino entered into executive session at 7:17 PM to discuss litigation on the Sitarik contract and the Fleher issue. The Board ended the executive session at 7:30 PM and returned to the general session.

ADJOURNMENT

There being no other business by unanimous vote on motion by Blane Volovich and second by Kenneth Heirendt the meeting was adjourned at 7:35 PM. The next regular meeting is scheduled for Tuesday, July 20, 2010 at 6:00 PM.

Secretary