

Cecil Township Municipal Authority
Monthly Meeting
August 16, 2011

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, August 16, 2011 at the Cecil Township Municipal Building. Vice Chairperson Stephanie Lucchino called the meeting to order at 6:00 PM with Blane Volovich, Leslie Peters and Richard Barnes present. Absent was Donald Gennuso. Also present was Romel Nicholas, Gaitens, Tucceri and Nicholas; Michael Sherrieb, KLH Engineers Inc., Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF JULY 19, 2011

The Board on a 3 to 1 vote on motion by Blane Volovich and second by Richard Barnes approved the minutes of the meeting of July 19, 2011. Leslie Peters abstained.

PRESENTATION OF 2010 AUDIT REPORT

Mr. Steven Cypher, Managing Partner - Cypher and Cypher CPA presented the 2010 audit report to the Board.

The Statement of Net Assets – Proprietary Fund reflects total assets of \$36,927,430 and total liabilities of \$16,794,305 with equity of \$20,133,125.

The Statement of Revenue, Expenditures, and Changes in Net Assets – Proprietary Fund reflects operating revenue of \$1,872,320, operating and maintenance expenses were \$1,622,620, other non-operating expenses of \$749,963, other non-operating income and expense of \$(1,595,927), and net income/loss of \$(2,304,205). The administrative expenses were \$208,015.

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, fund balance and risk management. He highlighted the section on a fixed asset appraisal and the fund balance.

ENGINEER REPORT

HEIRENDT PLAN OF LOTS

Michael Sherrieb reported to the Board on the completion of the Heirendt sewer line project. He stated the lines have been tested and closeout documents need to be completed prior to acceptance of the lines. He requested the Board authorized a

reduction in the performance letter of credit by 85% based on the contractor estimate for work completed on the project. The balance of 15% will be retained until the project is fully completed at which time, the funds may be used to cover the eighteen month maintenance bond. The Board on unanimous vote on motion by Leslie Peters and second by Blane Volovich authorized the reduction in the performance letter of credit by 85%.

DISCUSS LAWRENCE ACT 537 FEASIBILITY STUDY

Walter O'Shinski updated the Board on a feasibility study completed for the village of Lawrence, PA in 2009, financed with Local Share Funds. The Washington County Redevelopment Authority has indicated that Senate Engineering has been paid for the work completed and they have reached their contract payment amount. He stated a letter report highlighting five options available to sewer the village, all of which reflect user rates in excess of \$100 per month. He stated for the project to become affordable, a grant is needed in the amount of \$3.0M. He stated Washington County Redevelopment Authority inquired on what next steps the Municipal Authority would pursue as they would like to closeout the project and free up the local share funds.

Walter O'Shinski stated a meeting was held in 2009 with RUS and RCAP and included local government representatives to discuss a possible income survey. He stated the decision was made to hold off on an income survey until the 2010 Census information was available to determine the medium income for the township.

Walter O'Shinski suggested the next steps would be to meet again with RUS to determine if their guidelines have changed for conducting an income survey and meet with RCAP on their fees for conducting an income survey. Following those discussions, the Board may then wish to proceed with an income survey and investigate using the remaining Local Share Funds with approvals from the Washington County Redevelopment Authority and DCED.

The information from the feasibility study will be provided to Leslie Peters and Richard Barnes for their review, as they are new members to the Board.

SOLICITOR REPORT

Romel Nicholas stated the monthly report was circulated to the Board prior to the meeting. He stated an assignment and quit claim deed has been prepared and sent to Attorney Eric Betzner. The condemnation of the Moore property has been filed with information provided to the Moore's. He stated the issue with Valley Brook Country Club will be addressed by Attorney Bode on Thursday, August 18, 2011 at the Valley Brook Country Club board meeting. He stated motion to dismiss claims made by Sitarik have been filed with the Federal Court and are pending.

BUSINESS MANAGER REPORT

DISCUSS CHANGE IN SEPTEMBER 2011 MEETING DATE

Dennis Bell advised the Board on a previously agreed change to the September meeting from September 20 to September 27, 2011. He stated the meeting date change will be advertised.

AUTHORIZE SIGNING SEWER SERVICE AND CONSTRUCTION AGREEMENT FOR WOODCLIFF DRIVE SEWER EXTENSION PROJECT

The Board on unanimous vote on motion by Leslie Peters and second by Blane Volovich authorized signing the sewer service and construction agreement with Washington County Authority for the Woodcliff Drive Sewer Extension project.

JUNE 2011 FINANCIAL REPORT

Dennis Bell stated the financial report for the month of June 2011 was provided for the Board to review.

COMMENTS FROM THE FLOOR

Mr. James Michalka stated his question was answered by the Solicitor in his report to the Board.

CORRESPONDENCE

No comments were made on the correspondence.

Stephanie Lucchino commented on the audit report and the net loss resulting from the depreciation expense. She indicated the Board may need to consider a rate increase at a future date.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

A unanimous vote on motion by Richard Barnes and second by Leslie Peters 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

ADJOURNMENT

There being no other business by unanimous vote on motion by Blane Volovich and second by Leslie Peters the meeting was adjourned at 6:32 PM. The next regular meeting scheduled for Tuesday, September 27, 2011 at 6:00 PM.

Secretary