

Cecil Township Municipal Authority  
Monthly Meeting  
JULY 17, 2012

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, July 17, 2012 in the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 6:05 PM with Blane Volovich and Richard Barnes present. Absent were Stephanie Lucchino and Leslie Peters. Also present were Jeff Hollowood, Gaitens, Tucceri and Nicholas; Eric Tissue, KLH Engineers Inc., Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF JUNE 19, 2012

The Board, by a two to one vote on a motion by Richard Barnes and second by Blane Volovich, approved the minutes of the meeting of June 19, 2012. Donald Gennuso abstained.

DISCUSS NATIXIS FUNDING CORPORATION

Attorney Sean Garin addressed the Board on the downgrading by Moody's of Natixis Funding Corporation, holders of a Guarantee Investment Contract (GIC) for the Municipal Authority for funds deposited in a Debt Service Reserve Fund (DSRF) issued originally in 2004. The contract term expires in 2035. The fund earns 5.11% with proceeds used applied to the annual debt service payments. The downgrade was from an AAA3 to an AA2 rating. Our request to collateralize the DSRF is not acceptable to Natixis Funding Corporation and the only option would be to terminate the agreement. Assured Guaranty Corporation, the insurer of the bond issue, suggested not terminating the agreement at this time but any further downgrade of Natixis Funding Corporation would require other action. Sean Garin stated the decision on how we proceed will be determined by Assured Guaranty Corporation.

In relation to DSRF fund, Sean Garin discussed the importance of completing a rebate calculation and that he is in discussion with Cypher and Cypher for completing the analysis. The calculation is required because of the rate difference between earnings on the DSRF and the bond interest. He will contact Cypher and Cypher on the status of the report.

ENGINEER REPORT

VALLEYCREST CONSTRUCTION UPDATE

Michael Sherrieb reported items on the punch list will be completed in the August to September time frame. He stated a claim filed by Michael Aaron, 119 Valleycrest

Drive Cecil PA for repairs he made to his sprinkler system will be reimbursed by Border Patrol in the amount of \$149.00.

#### RESERVE AT SOUTHPOINTE PLANNING MODULE APPROVAL REQUEST

Keith Straight with PVE Sheffler addressed the Board to request approval to the Planning Module for the Reserve at Southpointe. All necessary documents have been reviewed and approved

The Board by unanimous vote on motion by Richard Barnes and second by Blane Volovich authorized approval of the Planning Module, signing the required sanitary sewer easement and the tap-in restriction agreement.

#### SOLICITOR REPORT

Jeff Hollowood referred to the solicitor report circulated to the Board prior to the meeting. He stated only two properties located in the Millers Run area need to be connected to the sanitary system and one of those properties has made the connection just waiting for the inspection. He stated all of the properties located in the Fleher subdivision have been liened for unpaid tap-in fees with two properties under payment agreements. The Chapter 13 bankruptcy filing case was dismissed without prejudice and upon receipt from the bankruptcy court, a new filing will be required.

Mr. Hollowood requested an Executive Session to discuss the Sitarik matter and a personnel issue.

#### BUSINESS MANAGER REPORT

##### AUTHORIZE SIGNING LETTER TO M & T BANK ON EXCESS FUNDS

The Board on unanimous vote on motion by Blane Volovich and second by Richard Barnes authorized signing the letter to M & T Bank stating that no excess funds are in the Revenue account for transfer to the Capital Improvement and Redemption Fund.

##### AUTHORIZE ANNUAL RENEWAL OF INSURANCE COVERAGE WITH EMPLOYERS MUTUAL

The Board on unanimous vote on motion by Richard Barnes and second by Blane Volovich authorized renewal of the insurance coverage with Employers Mutual for the policy year beginning on August 6, 2012 through August 5, 2013 subject to final review of the property values and premium amount.

**AUTHORIZE SIGNING SUMMARY OF BENEFITS AND COVERAGE FOR HEALTH AMERICA**

The Board on unanimous vote on motion by Blane Volovich and second by Richard Barnes authorized signing the employer acknowledgment – Summary of Benefits and Coverage as required by the Patient Protection and Affordable Care Act.

**AUTHORIZE RENEWAL OF CD 13017806 WITH SLOVENIAN SAVINGS**

The Board on unanimous vote on motion by Richard Barnes and second by Blane Volovich authorized reinvestment at maturity on August 15, 2012 of Certificate of Deposit 13017806 with Slovenian Savings for a period of one-year at an interest rate of 1.95% with a yield of 2.00%.

**AUTHORIZE RELEASE FROM OAKBROOKE ESTATES SEWER RELOCATION DEVELOPER ESCROW ACCOUNT**

The Board on unanimous vote on motion by Blane Volovich and second by Richard Barnes authorized release of \$8,218.02 from the Oakbrooke Estates developer escrow account related to work completed on the sewer line relocation.

**AUTHORIZE WASTEWATER ADJUSTMENT - MC KEAN 320 ELM DRIVE CANONSBURG PA**

The Board on unanimous vote on motion by Richard Barnes and second by Blane Volovich authorized a one-time wastewater adjustment of 6,000 gallons or \$43.50 for a pool filling with the understanding that an application must be completed and proper notification provided prior to any future pool filling.

**AUTHORIZE WASTEWATER ADJUSTMENT – FOX 1001 SKYLINE DRIVE CANONSBURG PA**

The Board on unanimous vote on motion by Richard Barnes and second by Blane Volovich authorized a wastewater adjustment of 70,700 gallons or \$512.58. The water was used for outside irrigation on a new lawn and after the fact a deduction meter was installed on the property and inspected by the Authority.

**MAY 2012 FINANCIAL REPORT**

Dennis Bell reported that the financial report for the month of May 2012 was provided for the Board to review.

## CORRESPONDENCE

No comments were made on the correspondence.

## PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

By a unanimous vote on a motion by Blane Volovich and second by Richard Barnes, 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

## COMMENTS FROM THE FLOOR

There were no comments from the floor.

## EXECUTIVE SESSION

The Board on unanimous vote on motion by Richard Barnes and seconded by Blane Volovich entered into an Executive Session at 6:50 PM to discuss the Sitarik issue and a personnel matter. The Board returned to the general session at 7:15 PM.

## ADJOURNMENT

There being no other business, by a unanimous vote on a motion by Blane Volovich and second by Richard Barnes, the meeting was adjourned at 7:16 PM. The next regular meeting is scheduled for Tuesday, August 21, 2012 at 6:00 PM.

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Secretary