

Cecil Township Municipal Authority
Monthly Meeting
AUGUST 21, 2012

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, August 21, 2012 in the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 6:00 PM with Stephanie Lucchino, Leslie Peters and Richard Barnes present. Absent was Blane Volovich. Also present were Romel Nicholas, Gaitens, Tucceri and Nicholas; Eric Tissue, KLH Engineers Inc., Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF JULY 17, 2012

The Board deferred approving the minutes of the July 17, 2012 meeting until the September meeting. Two of the four members present could not vote due to their absence at the July meeting.

PRESENTATION OF THE 2011 AUDIT REPORT

Mr. Steven Cypher, Managing Partner - Cypher and Cypher CPA presented the 2011 audit report to the Board.

The Statement of Net Assets – Proprietary Fund reflects total assets of \$36,663,325 and total liabilities of \$16,717,416 with equity of \$19,945,909.

The Statement of Revenue, Expenditures, and Changes in Net Assets – Proprietary Fund reflects operating revenue of \$2,223,179, operating and maintenance expenses were \$1,607,348, administrative expenses were \$210,623, interest expense totaled \$805,030, other non-operating income of \$212,606 with the net income/(loss) of (\$187,216).

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 computer system and disaster recovery plan, fixed asset appraisal and fund balance and risk management.

ENGINEER REPORT

VALLEYCREST CONSTRUCTION UPDATE

Michael Sherrieb reported a claim filed by Michael Aaron, 119 Valleycrest Drive Cecil PA for repairs he made to his sprinkler system was not reimbursed by Border Patrol as previously requested. He stated that he will place a call to the Redevelopment

Authority on how to handle the refund of \$149.00.

MILLERS RUN REMEDIATION

Michael Sherrieb reported that the remediation work started on August 13, 2012 with manhole repairs. The contractor is scheduled to begin line replacement work within the next few days. Romel Nicholas inquired on the status of the bonding and recommended no work be started until the bonds are provided to the Authority. Michael Sherrieb indicated he will speak with the contractor to resolve the matter.

ACCEPTANCE MAPLE RIDGE PHASE 5 SEWER

Walter O'Shinski reported that an eighteen-month maintenance bond has been provided for Phase 5 of the project. He requested the Board authorize signing of the Deed of Sanitary Sewer Easement so that it may be recorded.

The Board on unanimous vote on motion by Richard Barnes and second by Leslie Peters authorized signing the Deed of Sanitary Sewer Easement for this phase of the Maple Ridge project.

F. Lynn Foltz, the developer for the Maple Ridge project requested the letter of credit be released and it was agreed to release the letter of credit.

COMMENTS FROM THE FLOOR

Woody Welsh addressed the Board for permission to begin construction in Oakbrooke Estates Phase 4 to 6. Romel Nicholas stated the developer requested permission not to post a performance bond with the understanding that no tap-ins will be permitted for these phases of the project. He stated an amendment to the Sewer Service and Construction Agreement would be needed to address the financial collateral as defined in Article VII of the agreement. Mr. Welsh commented on the urgency for having the document prepared so that construction on the sanitary sewers could begin. Dennis Bell reported that escrow funds in the amount of \$26,000 have been provided for this phase of the project. Romel Nicholas recommended the Board approve the amendment subject to final review by Walter O'Shinski.

The Board on unanimous vote on motion by Leslie Peters and second by Richard Barnes authorized the solicitor to prepare the amendment to the Sewer Service and Construction Agreement.

SOLICITOR REPORT

Romel Nicholas referred to the solicitor report circulated to the Board prior to the meeting. He stated that one property located in the Millers Run project remains to be

connected to the system. Dennis Bell reported that the property is vacant and pending sheriff sale.

CANONSBURG-HOUSTON JOINT AUTHORITY

Romel Nicholas provided the Board with some history on events previous discussed with the Canonsburg-Houston Joint Authority specifically a new service agreement negotiated several years ago. He referred to a letter prepared and circulated by the solicitor for North Strabane Township Municipal Authority regarding a proposed memorandum of understanding between Canonsburg-Houston Joint Authority and Canonsburg Borough. He stated a special meeting was scheduled for August 21, 2012 and due to our meeting at the same time, Attorney Adam Buchanon from his office is attending to obtain information on the memorandum of understanding. He stated a report will be forthcoming to the Board and suggested, based on the outcome of this special meeting, that the Board authorize a letter to the Canonsburg-Houston Joint Authority expressing our concerns.

The Board on unanimous vote on motion by Richard Barnes and second by Leslie Peters authorized the solicitor to prepare a response to Canonsburg-Houston Joint Authority based on the information obtained from the meeting.

Stephanie Lucchino inquired on the status of the property upset sales scheduled for September 2012. Romel Nicholas stated the filing will be completed prior to the upset sales. Dennis Bell advised the Board that the information is being updated for the solicitor's office.

BUSINESS MANAGER REPORT

AUTHORIZE SEWER SERVICE AND CONSTRUCTION AGREEMENT – SOUTHPOINTE II LOT 12 LP

The Board on a three to one vote on motion by Richard Barnes and second by Stephanie Lucchino authorized signing a Sewer Service and Construction Agreement for the development known as Southpointe II Lot 12 LP. Leslie Peters abstained. Dennis Bell reported that a developer escrow deposit in the amount of \$7,500.00 was received.

AUTHORIZE SEWER SERVICE AND CONSTRUCTION AGREEMENT – OAKBROOKE ESTATES PHASE 4 THROUGH 6

The Board on unanimous vote on motion by Leslie Peters and second by Richard Barnes authorized signing a Sewer Service and Construction Agreement for the development known as Oakbrooke Estates Phase 4 through 6. Dennis Bell reported that a developer escrow deposit in the amount of \$26,000.00 was received.

AUTHORIZE PRE-DEVELOPER AGREEMENT WITH MERITAGE GROUP FOR IRONWOOD II

The Board on unanimous vote on motion by Richard Barnes and second by Leslie Peters authorized signing a Pre-Developer Agreement with the Meritage Group for the development known as Ironwood II. Dennis Bell reported that a developer escrow deposit in the amount of \$2,000.00 was received.

AUTHORIZE SEWER SERVICE AND CONSTRUCTION AGREEMENT – SOUTHPOINTE TOWN CENTER LP

The Board on a three to one vote on motion by Richard Barnes and second by Stephanie Lucchino authorized signing a Sewer Service and Construction Agreement for the development known as Southpointe Town Center LP. Leslie Peters abstained. Dennis Bell reported that a developer escrow deposit in the amount of \$11,997.00 was received.

DISCUSS AGREEMENT FOR CREDIT CARD ACCEPTANCE WITH MUNICIPALPAY

Dennis Bell discussed a credit card acceptance program offered by Municipay. He stated Municipay currently handles credit card processing for Freedom Systems. He stated the service fees would be collected from the user and not the Municipal Authority. He requested the Board authorize the solicitor to review the agreement prepared by Municipay.

The Board on unanimous vote on motion by Leslie Peters and second by Richard Barnes authorized the solicitor to complete the review of the agreement.

JUNE 2012 FINANCIAL REPORT

Dennis Bell reported that the financial report for the month of June 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 Leslie Peters 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 Leslie Peters entered into an Executive Session at 6:42 PM to discuss a personnel issue. The Board returned to the general session at 7:00 PM.

ADJOURNMENT

There being no other business, by a unanimous vote on a motion by Leslie Peters and second by Richard Barnes, the meeting was adjourned at 7:02 PM. The next regular meeting is scheduled for Tuesday, September 18, 2012 at 6:00 PM.

Secretary