

Cecil Township Municipal Authority
Monthly Meeting
August 18, 2020

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, August 18, 2020 at the Cecil Township Municipal Building in Cecil, PA . Chairman Donald V. Gennuso called the meeting to order at 5:00 PM with Frank Ziemba, Darlene Barni, Richard Barnes, Patricia Mowry, and Donald V Gennuso in attendance. Walter O'Shinski P. E., Gregory Gennuso, Attorney Romel Nicholas with Gaitens, Tucceri and Nicholas, and Kevin Brett with Lennon Smith Souleret Engineers also attended.

MINUTES OF JULY 18, 2020

The Board on a unanimous vote on a motion by Richard Barnes and a second by Frank Ziemba approved the minutes of July 18, 2020. Patricia Mowry abstained.

2019 AUDIT REPORT-Cypher & Cypher CPA

Steven Cypher - Cypher and Cypher CPA presented the 2019 audit report to the Board. The Statement of Net Assets – Proprietary Fund (Balance Sheet) reflects total assets and deferred outflows of \$41,290,653 and total liabilities and deferred inflows of \$16,983,918 with a total net position of \$24,306,735.

The Statement of Revenue, Expenditures, and Changes in Fund Net Position – Proprietary Fund reflects operating revenue of \$3,609,312 operating and maintenance expenses were \$2,243,963, administrative expenses were \$357,793, interest expense totaled \$531,032, other non-operating income of \$651,383. The net income is shown as \$1,127,907.

Lukas Rayle discussed the comments in their management letter to assist the Board and management on methods to strengthen internal controls and accounting systems. He focused his discussion on the continued separation of duties on in-house billing and a more frequent reconciliation of developer escrow expenses.

ENGINEER'S REPORT

WINDCREST DRIVE SEWER REPLACEMENT PROJECT UPDATE

Kevin Brett, informed the Board that the contractor has completed all the line work and the laterals are connected. The contractor is currently patching the trenches and they still have some punch list items to complete. The contractor expects to have the punch list items completed in the next couple of days. All homeowners were connected without issue.

LSSE RECOMMENDATION FOR MCCONNELL TRAILS PHASE 2 PAYMENT REDUCTION REQUEST NO. 6

Kevin Brett advised the Board that they had received and reviewed a reduction request in the amount of \$54,129.75, which reduces the bond to \$20,866.00. Kevin recommended approval contingent on the developer televising some lines that had gravel in it. The line in question is flowing but the source of the gravel cannot be determined by looking in the manholes. The Board by a unanimous vote on a motion by Patricia Mowry and a second by Frank Ziemba conditionally approved the payment reduction.

LAWRENCE PROJECT UPDATE

Kevin Brett from LSS engineering updated the Board on the status of the Lawrence project. The Part 2 permit is ready to be signed and will be submitted after Walt reviews a full set of drawing and issues comments. There are a few items of coordination with KLH, the Highway Occupancy permit (HOP) for crossing the state road has been submitted by KLH and Kevin expects the HOP to be issued in the next 60 days.

The next step is easements, Kevin is slightly behind on the easements because of the classification of the alleyways. Kevin has been communicating with Dan Deiseroth the township engineer and they have determined a majority of the alleyways are township owned. This will allow Kevin to request one open cut permit with the township and will eliminate about a third of the easements that are required.

Donald V Gennuso asked about any information on our CFA grant applications. Kevin Brett informed him that we did not receive any grant money, but in his experience a majority of these projects get some grants on their second application. Kevin recommended getting in touch with our local legislators to get their support for the second application.

Kevin also asked the Board what amount of money they would like to ask for the LSA grant which is coming up for application in October. The Board suggested a \$1,000,000 grant amount. The Board by a unanimous vote on a motion by Patricia Mowry and a second by Frank Ziemba authorized submitting the LSA application.

Kevin Brett updated the Board on the budget rate analysis that summarizes our current budget versus expenditures in order to stabilize rates. After an August 12, 2020 meeting with our bond council, Kevin was able to present to the Board several rate plans that now included the borrowing for the Lawrence project. The preferred plans show the Authority dedicating a large amount of their cash reserves in order to make the rates affordable. Kevin presented a spreadsheet with numerous options to modify the rate structure. The Board is expecting to have a solution to this in the next couple of months. In the meantime the Board requested a meeting with Pennvest to discuss their borrowing options and to have another meeting of the finance committee,

SOLICITOR REPORT

Romel Nicholas has two items to update the Board on in executive session. Canonsburg Houston Joint Authority (CHJA) mediation and property acquisition for the Lawrence project.

BUSINESS MANAGER REPORT

JULY 2020 FINANCIAL REPORT

Greg Gennuso circulated the July 2020 financial report for review. The monthly developer escrow spreadsheet was reviewed and the addition of a cash position report was added to the monthly financials so the board has a simple one page view of the Authorities cash position from month to month.

2012 BOND PAYOFF

Greg Gennuso explained to the Board that the 2012 bonds had an amount of \$145,542.46 left and were able to be paid off in 30 days. This payment would eliminate the bond, the interest, and the yearly administrative costs. The Board by a unanimous vote on a motion by Patricia Mowry and a second by Richard Barnes authorized the payment of the bonds.

COMMENTS FROM THE FLOOR

There were no comments from the floor. No one was in attendance.

REVIEW OF CORRESPONDENCE

Patricia Mowry asked about the status of KLH engineers remaining obligations. These items were discussed and the Board intends to finalize matters with a letter when the work that is expected to be finished is completed.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

The Board by a unanimous vote on a motion by Patricia Mowry and a second by Frank Ziembra 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 PADEP

EXECUTIVE SESSION

The Board on a motion by Patricia Mowry and a second by Darlene Barni entered an executive session at 6:28 pm to discuss CHJA litigation and property acquisition.

The Board exited executive session at 6:52 pm with no motions to approve

ADJOURNMENT

There being no other business, the Board by a unanimous vote on a motion by Darlene Barni and a second by Frank Ziembra, the meeting was adjourned at 6:53P.M. The next regular meeting is scheduled for 5:00 P.M. Tuesday, September 15, 2020.

Secretary