

Conyngham-Sugarloaf Joint Municipal Authority

Reorganizational Meeting/Regular Session

January 24, 2017

Conyngham-Sugarloaf Joint Municipal Authority Board met for a Reorganizational and Regular Session on Tuesday, January 24, 2017 at 7:02 p.m. in Conyngham Borough Council Chambers, Municipal building, 215 Main Street, Conyngham, Pennsylvania. The meeting was called to order by Chairman Gallagher, the Pledge of Allegiance was recited and roll call was taken.

Present: John Cotsack, Marc Eble, Joe Gallagher, Marguerite Woelfel, Jack Wittig, Peter O'Donnell (Solicitor), Ed Gregory (Manager), Fred Blase (Assistant Treasurer), Erika Cook (Recording Secretary)

Absent: Entech Engineering.

Citizens: None.

Invited Guests: John Nonnemacher, CPA Snyder & Clemente

Public Comment: None.

Chairman Gallagher turned the meeting over to the Solicitor to act as the Temporary Chairperson for reorganization.

Solicitor called for nominations for the Office of Chairman.

Nominations for Chairman

Motion

Motion to Nominate Joseph Gallagher for Chairman – Cotsack. Second – Wittig.

Nominations Closed

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Abstain	Woelfel	-	Affirmative
Wittig	-	Affirmative			

The meeting was turned over to Chairman Gallagher.

Nominations for Vice Chairman

Motion

Motion to Nominate Jack Wittig for Vice Chairman – Gallagher. Second – Cotsack.

Nominations Closed

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Abstain			

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Nominations for Secretary

Motion

Motion to Nominate Marc Eble for Secretary – Gallagher. Second – Wittig.

Nominations Closed

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Abstain
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Nominations for Treasurer

Motion

Motion to Nominate Marguerite Woelfel for Treasurer – Wittig. Second – Eble.

Nominations Closed

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Abstain
Wittig	-	Affirmative			

Nominations for Assistant Secretary/Treasurer

Motion

Motion to Nominate John Cotsack for Assistant Secretary/Treasurer – Wittig. Second – Eble.

Nominations Closed

ROLL CALL VOTE:

Cotsack	-	Abstain	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Close Election of Officers

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Appointments:

Motion

Motion to Reappoint Landmark Bank as CSJMA Depository – Eble. Second – Cotsack.

Nominations Closed

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Motion

Motion to authorize the Chairperson, Vice-Chairperson, Treasurer, and Assistant Secretary/Treasurer of the CSJMA to sign checks or financial transactions authorized by the CSJMA with two signatures being required on all checks or financial transactions – Woelfel. Second – Wittig.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Motion

Motion to Reappoint Atty. Peter O'Donnell as Solicitor at a Rate of \$90.00/hr – Cotsack. Second – Woelfel.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Motion

Motion to Approve Reappointment of Entech Engineering as Engineer for CSJMA – Wittig. Second – Cotsack.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

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Chairman Gallagher closed Reorganizational Meeting and turned to Invited Guest John Nonnemacher from Snyder & Clemente for Audit Report to begin the Regular Session Meeting.

Invited Guests:

John Nonnemacher, CPA from Snyder & Clemente presented the audit of Conyngham Borough Authority Financial Statements for the five-month period ended May 31, 2016 and the year ended December 31, 2015. The items specifically referred to in discussion were the value of the building at 245 Main Street, Conyngham, PA 18219 and PA Act 72 which pertains to the monies invested by CSJMA that are not currently held in the preferred insured certificates of deposit. The forms are being signed to transfer the capital reserve funds to PLGIT where they will become held in investments prescribed by PA Act 72.

Mr. Nonnemacher also presented and reviewed in detail a Management Letter reviewing the current practices of the following:

1. Lack of Periodic Review of Capital Asset Detail
2. Lack of Oversight and Approval for Penalty Billings
3. Inaccurate Amounts Computed by Billing System
4. Lack of Oversight and Approval for Credits Issued to Customer Accounts
5. Lack of Oversight of Completed Bank Reconciliations
6. Meter Reading Gun Backup and Physical Security
7. Computer File Backup
8. Lack of Complete Segregation of Duties – Payroll Processing
9. Lack of Supporting Detail for Professional Engineering Invoices
10. Electronic Funds Transfer Security
11. Water Rate Schedule

Mr. Nonnemacher was asked to provide a proposal to complete the audit for the seven month period 6/1/2016 to 12/31/2016. In order to do so, he needs the balances for the Net Assets for Sugarloaf Township for January 1, 2016 to May 31, 2016. This is necessary to calculate the starting balance for CSJMA as of June 1, 2016. The Fixed Assets total needs to be provided as well as the Cash balance (approximately \$3,000) to be transferred to CSJMA. According to the Sugarloaf Township, the cash balance will not be transferred until the closing of the Asset Transfer. There will be a meeting held at Sugarloaf Township on February 14, 2017, to sign the final documents to complete the transfer. Vice-Chairman Wittig said he will make sure the figures are sent to Mr. Nonnemacher immediately after the meeting so he may complete the proposal.

Discussion ensued regarding the status of transferring the uninsured funds invested in CD's by CBA into insured investments at PLGIT under the CSJMA name. Fred Blase noted the documents were being presented at this meeting for signatures to open a PLGIT account.

The Board also discussed in further detail the Management Letter and the processes that can be changed to increase the overall safeguarding of assets.

The Board requested a proposal for the completion of the 2016 Audit from Mr. Nonnemacher. Solicitor O'Donnell noted that once the proposal is received it will be considered by the Board. Mr. Nonnemacher will receive the information needed from Sugarloaf Township on February 15, 2017 and then have the requested proposal at the CSJMA February 28, 2017 meeting.

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Motion

Motion to Accept Minutes from the Regular Meeting December 27, 2016 – Wittig. Second – Cotsack.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Treasurer's Report: Assistant Treasurer Blase presented the Board with the accounts payable for approval and bank account activity for the period. The reports were reviewed in detail and a copy is on file and available for inspection.

Mr. Blase explained that with the addition of Erika Cook in the office, the separation of duties has been improved as Erika is handling accounts payable processing, while Fred is reconciling and preparing payroll. For additional separation, Marcia handles the customer billing of receiving payments and processing bank deposits. The idea was proposed by Mr. Blase that one of the authorized Board members should review and approve the bank reconciliation once completed for each account.

Chairman Gallagher clarified that CSJMA has \$ 1.7 Million in revenue checking account and approximately \$ 1 million in CD's at M&T Bank, most of which is uninsured. It was stated again that this is why the funds are being moved to PLGIT. Once the PLGIT accounts are authorized, Mr. Blase will transfer the funds from the revenue account to PLGIT, leaving a balance of approximately \$100,000. The invested funds will increase the amount of interest income. The interest earned in 2016 was approximately \$10,000.00.

Motion

Motion to Approve Bills for Payment as Presented Totaling \$67,778.49 – Cotsack. Second – Woelfel.

Questions on the Motion: Treasurer Woelfel questioned the Artistry In Curbs invoice, which Operations Manager Ed Gregory explained that USAA is going to be reimbursing CSJMA as the fence was damaged in a car accident with the driver being fully responsible. Treasurer Woelfel also asked to clarify the different insurance bills to be paid – Mr. Blase confirmed the EMC insurance policy is for the CSJMA General Liability, Property & Casualty, Workman's Compensation, etc., for the entire year of 2017 and is brokered thru Brown & Brown Insurance Agency. The other insurances on the bills to be paid are for Health Insurance for Full Time Employees. Treasurer Woelfel expressed concern for the cost of the Health Insurance for 3 employees. Treasurer Woelfel questioned the time period for Sentry Security – it was confirmed that it is for a 6 month period.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

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Mr. Blase also presented the Board with the 2017 Operating Budget which shows a net increase in cash of \$450,000 for the year. He pointed out that customer penalties were not included in the budget so any penalties billed by CSJMA would be in addition to the \$450,000 figure. It was noted that Entech Engineering needs to review and update our penalty and fee schedule. Chairman Gallagher stated that a review of customer penalties charged by CSJMA needs to be completed. The Rules and Regulations may need to be revised for a penalties policy change once evaluated. An estimate for the 537 Plan would be beneficial as well for planning of the future project and the budget. Vice-Chairman Witting asked if all documents were submitted to DEP for TAR – confirmed by Mr. Gregory.

Motion

Motion to Approve 2017 Operating Budget – Woelfel. Second – Wittig.

Questions on the Motion: None.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Solicitors Report: Attorney O'Donnell presented Resolution 1 of 2017 which is to effectuate assumption of CBA's PennVest loans 71041 and 89175 by the CSJMA. Resolution 1 was presented to the Board and signatures were obtained.

Motion

Motion to Approve Resolution 1 of 2017 – Cotsack. Second – Woelfel.

Questions on the Motion: None.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Engineer's Report: Engineer was not present but provided the documents necessary for a Work Order to complete the annual Chapter 94 Report for CSJMA at a cost of \$2,800.00. The scope of work includes the research and completion of the report which will be submitted to PADEP by March 31, 2017. Work Order was signed by Chairman Gallagher.

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Motion

Motion to Approve Chapter 94 Work Order – Wittig. Second – Woelfel.

Questions on the Motion: None.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Manager's Report: The Manager reported:

- Meter Readings were Finished – Bills will be Mailed End of Next Week
- December Discharge Monitoring Report Submitted to DEP with No Violations Reported
- January Bacteria Samples Taken to Lab
- December SDWA 1 & January SWDA S Submitted to DEP
- Responded to All PA One Calls
- Well Pump 5 was removed to show no longer in use & being abandoned to SRBC
- Fence and gate were repaired at treatment plant – In process of being reimbursed thru USAA
- Influent pump at treatment plant is tripping – Martin Electric called in to diagnose. Issue found was drive to pump causing the trip and will be replaced late this week or early next week
- Manager was called out last night at 1 AM for sewer backup at 349 Main Street. Smith's Sewer & Drain was called out to jet the line and found there were roots growing. Root intrusions were cut out
- New Administrative Assistant, Erika, has been working here for about a month and is doing a terrific job
- Greg Chunko will return to work tomorrow after being off for several weeks for medical reasons

Old Business: None.

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New Business:

Chairman Gallagher mentioned the suggestion of making a quarterly newsletter for CSJMA. This would include topics such as tips for customers, status updates for 537 Plan, and links to the website. The Board would like Administrative Assistant Erika Cook to begin working on the newsletter. It should be approximately 2 pages and is to be mailed to the customers. The website was also mentioned and needs to be updated.

The Sentry Security contract was reviewed after it was brought to attention of Accounts Payable that the CBA Street Department and the CSJMA office building are on a joint system. There are two separate zones that are each individually controlled but the main system is one unit and on one bill. It was the consensus of the Board to continue paying the total contract amount. In relation to the security system, Chairman Gallagher mentioned the security cameras that were recently approved for installation by the CBA. There will be 16 hard wired cameras installed. One of the areas of consideration will be the well house. The well house currently uses a wi-fi system and would need to have wires installed. Chairman Gallagher also mentioned the possibility of adding the camera system already set up to the CBA system being installed giving greater coverage to both entities.

The School Lane sewer extension was discussed. The Board requested Entech Engineering provide an estimated cost of the project. The 537 Plan requires adding School Lane to the sewer system. The Board requested Entech evaluate the benefits of completed the School Lane improvement in advance of the Act 537 plan approval. DEP may not approve as Secretary Elbe pointed out there are no available EDU's at this time. Entech Engineering will be contacted to research the options. Treasurer Woelfel mentioned the possibly of applying for a grant to complete the work as part of the 537 Plan and Vice-Chairman Wittig clarified that the work must be completed within two years of receiving the funds.

The need to upgrade the computer system for the Joint Authority office was addressed. Secretary Eble previously met with Mr. Gregory at the office to evaluate the existing equipment. Two bids were received for upgrades. One of those bids was quoted with computers that were several years out of date. Mr. Eble said the backup of data has been failing for some time and needs to be addressed immediately. He suggested removing the server at the office and replace with two network backups; one at the office and one at the plant. This would provide a redundant backup and would provide the off-site backup recommended by the Auditor. He will also program a commercial firewall, instead of your typical home software. Mr. Eble volunteered to research and purchase new computers and the necessary network equipment using the Authority credit card. The new equipment purchased must be the latest technology available on the market to ensure a long useful life. He offered to complete the installation at no charge, but that will not include any warranty. If computer assistance is needed, Mr. Eble will come to the office to assess what needs to be done and then a third-party vendor will be called in as necessary.

Motion

Motion to Approve Secretary Marc Eble to quote and purchase computer equipment, on behalf of the Authority, not exceeding an amount of \$6,000.00 – Gallagher. Second – Cotsack.

Questions on the Motion: None.

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ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			


Treasurer Woelfel brought up the new asphalt plant being proposed for construction on Tomhicken Road. She asked the Solicitor if he would like her to represent CSJMA at the meeting on February 27, 2017. CSJMA's wells are within 3 miles of the site and Treasurer Woelfel feels CSJMA should express their concern. The Board determined Manager Ed Gregory should contact Jay Lynch, the hydrologist, to determine if there are any potential hazards. If so, he would be asked to write a letter to the Board explaining his recommendations and concerns of any hazards. The Board will then write its own letter and have two letters stating concerns. Treasurer Woelfel is attending the meeting personally and the Board feels it will be best to have the hydrologist write a letter to add merit. Ms. Woelfel then offered to present the letter on behalf of the CSJMA. The Solicitor also feels CSJMA needs to be involved and should voice concerns as per the fiduciary responsibility of the Authority. Ed will contact Jay Lynch as soon as possible to try to have both letters completed by the February 27th meeting.

Vice-Chairman Wittig asked about getting a sign and flag pole for the Authority office building. Manager Ed Gregory is obtaining quotes.

Public Comment: None.

Motion to Adjourn at 8:56 pm – Eble. Second – Cotsack. Unanimous.

ATTEST:


Secretary

