

**SAXONBURG AREA AUTHORITY BOARD MEETING**  
**Meeting Minutes**  
**October 19, 2021**

**Roll Call** Greg Clifford, Doug Farney, Curt Heakins, Joe Neubert, John Ham, and Doug Roth were present.

Also in attendance were Don Graham/Solicitor, Paul Cornetti/Manager, Mary Papik/Controller, and Jody Vettori/Recording Secretary.

Scott Herbst arrived at 5:44 p.m., due to a prementioned appointment.

Pat Rinebolt was absent.

**Correspondence**

On September 21, the Authority received a letter of resignation from James Stanek due to his upcoming move, effective September 22, 2021.

**Minutes** Chairman Clifford asked if there were any additions or corrections to the minutes of September 21, 2021. Hearing none, they were approved as submitted.

**Public Comments** None

**Controller** Mary Papik

**Bills, Item C.2.3**

**Motion was made and seconded by Doug Roth/John Ham to approve checks in the amount of \$23,276.69 paid from the SAA Revenue Fund and \$31,041.61 paid from the Borough General Fund on October 19, 2021. In addition, decrease adjustments from the Borough General Fund in September in the amount of \$15,488.77, and \$13,374.77 from the Revenue Fund, and payroll expenses for September 2021. The motion carried.**

**Municipal Building Improvements, Item E.9**

Mary explained that all conditions with the contract were satisfied and the damage from the leak was appropriately corrected/satisfied.

**Manager** Paul Cornetti

**Mrs. Rinebolt Absence, Item A.9.7**

**Motion was made and seconded by Doug Farney/Curt Heakins to approve Mrs. Rinebolt's absence from the October Board of Directors' meeting. The motion carried.**

**Annual Budget Report, Item C.1**

- Discussion and review of 2022 annual budget:

- Paul explained that the 2022 budget includes \$5.2 million in revenues, \$6.2 million in expenses (of which \$1.6 million is depreciation), and \$342,610 in capital projects.
- Net accumulated depreciation on the system is \$21 million; the Authority has \$2 million in cash and therefore no rate decreases are recommended. No rate increases are recommended, either.
- The staff slightly underestimated revenues and slightly overestimated expenses in effort to provide a slightly conservative budget.
- Revenues are projected slightly lower for metered customers, due the unknowns related to COVID.
- 91 new customers connections are estimated for 2022.
- We have budgeted a bit more for training and expense reimbursements in 2022 in anticipation of more in-person training events for the Board and staff (rather than virtual events), and with the understanding that we may have some employees retiring soon and some conversations with existing staff will begin.
- We have also placed money in the budget for additional employee training at BC3.
- Chemicals at the plant and sludge disposal have and are expected to increase as well as most supplies, based on the CPI and inflation.
- Review of proposed Capital Improvements/Projects:
  - Paul highlighted the following large capital projects that are included in the budget:
    - Municipal Building paving project
    - Municipal Building siding project
    - State Street Sewer Line replacement project
    - New truck
    - Seal Coating pump station driveways
    - Material bin at WWTF (if not this year)
    - Mini Excavator
    - D.O. probe for WWTF
- Discussion on Cash Flow projections
  - Paul explained that currently the Authority has a cash balance near \$2 million. We expect to have a balance near \$2.8 million at the end of next year.

### **2015 Bond Coverage Calculation, Item C.5.2**

- Discussion on estimated coverage over the Rate Covenant:
  - Paul explained that based upon the adoption of the 2022 Budget, the Authority will maintain a surplus of \$3.1 million in accordance with the rate covenant associated with the 2015 Bonds Trust Indenture.

**Solicitor** Don Graham of Dillion, McCandless, King, Coulter, & Graham, LLP

Don reported that he has been in contact with the attorney for 534 Steiner Bridge Road after last month's meeting and they have reached a verbal agreement consistent with

decisions from last month's meeting. Don will draft an Agreement to be executed by both parties outlining all matters.

### **Old Business**

Mr. Farney asked about a report summarizing the number of liens and the charges associated with the liens. Paul apologized for not having it prepared and reported that it will be available for next month's meeting.

### **New Business**      None

**Executive Session**      The meeting recessed at 5:58 p.m. to go into Executive Session to discuss contract and personnel matters.

The meeting reconvened at 6:12 p.m. and took the following actions:

**Motion was made and seconded by Joe Neubert/Scott Herbst to adopt the 2022 Annual Budget as presented. The motion carried.**

**Motion was made and seconded by John Ham/Doug Roth to approve the 2022 Budget Field Crew Splits, Office Employee Splits/Aggregate Wage Adjustments, Overall Budget Splits and Joint Borough/Authority purchases. The motion carried.**

**Adjournment**      The meeting adjourned at 6:14 pm.

The next meeting is scheduled for Tuesday, November 16, 2021.

Jody Vettori  
Recording Secretary