

SAXONBURG AREA AUTHORITY BOARD MEETING
Meeting Minutes
October 18, 2022

Chairman Clifford called the meeting to order at 5:30 p.m.

Roll Call

Joe Neubert, Rob Mrozek, Scott Herbst, Curt Heakins, Doug Farney, Greg Clifford, John Ham, and Doug Roth were present.

Also in attendance were Don Graham/Solicitor, Paul Cornetti/Manager, Mary Papik/Controller and Melissa Wolfe/Billing Coordinator.

Patricia Rinebolt was absent.

Correspondence

None

Minutes

Chairman Clifford asked if there were any additions or corrections to the Minutes of September 20, 2022. 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/Scott Herbst to approve checks in the amount of \$ 33,475.87 paid from the SAA Revenue Fund and \$ 6,776.41 paid from the Borough General Fund on 10/18/2022. In addition, decrease adjustments from the Borough General Fund in August in the amount of \$21,453.40, and \$15,316.80 from the Revenue Fund, and payroll expenses for September 2022. The motion carried.

Billing Coordinator

Melissa Wolfe

Holiday Event, New Item

Melissa discussed planning a holiday event. She will invite Board members, the Solicitor, and staff. The Board preferred a similar event as last year with Hors d'oeuvres/buffet style mingle event. The Board suggested different venues. Melissa will attempt to keep costs as low as possible and will coordinate a schedule that will allow as many people to attend as possible. If she has difficulty with the budget, she will reach out to the Board to discuss.

Motion was made and seconded by John Ham/Scott Herbst to authorize Melissa to coordinate a holiday event for Board Members and staff at a cost not to exceed \$1,000. The motion carried.

Manager

Paul Cornetti

Front Office Staffing, Item A.2

Paul explained that the SAA had hoped for more progress in filling the office staff vacancy. The Authority is anxious for filling this position quickly. Paul explained that the Board may wish to bring addition help into the office if the position is not filled promptly.

Motion was made and seconded by Doug Roth/Scott Herbst to authorize Paul to appropriately staff the front office pending the Borough's action at the October Council meeting. The motion carried.

2023 Annual Budget Report, Item C.1

Paul explained that we only had 24 new customer connections thus far this year, while we budgeted 91 for the year. He explained that we have 111 connections in developments remaining that are approved to pay the tap fee and connect, however, these have slowed a bit. Next year, we expect 84 new customer connections.

Developer Contributions were near record highs this year with the acceptance of Hawkins Crest and Fieldstone.

Overall, we expect expenses in 2023 to be about 3% higher in 2023. The SAA is fortunate that approximately 60% of its expenses are fixed debt service payments that are not subject to inflation and are fixed costs. For this year's budget, the staff minimized and combined budget line items. This will provide greater accuracy for the proper coding of expenditures.

Noticeable additions to the 2023 O&M Budget include approximately \$60,000 for seal coating the pump station driveways, landscaping at the WWTF, centrifuge service, full-load bank testing for the generators, manhole risers, new laptops for Ryan and Paul, SCADA service agreement and vacuuming wet wells.

Capital additions for the 2023 budget year include \$349,000 for the staff completing the East Main Street sewer line replacement project, municipal building siding replacement contingent upon Borough approval, manhole rehabilitation, a new truck if not purchased this year, a material bin at the WWTF, municipal building parking lot paving contingent upon Borough approval, rebuild kits for pump stations and \$45,000 in unspecified emergency assets.

Paul explained a few significant changes proposed in the 2023 budget specific to certain cost centers.

As presented, the 2023 budget provides \$5.3 million in revenues without a rate increase. Without non-cash developer contributions, the budget provides \$4.6 million in revenues.

As presented, the 2023 budget provides \$6.3 million in expenditures. Without depreciation and amortization, the budget provides \$4.6 million in expenses.

The Board discussed the need for a customer rate increase. An exhibit illustrated that generally, each 2.5% rate increase would provide approximately \$100,000 more revenue.

The Board decided to delay acting on the 2023 budget until November. They are hopeful that we may receive a decision back from the County regarding the sewer line replacement grant funding request.

2015 Bond Coverage Calculation, Item C.5.2

Paul explained the requirements for calculating the Coverage requirements/Rate Covenant as required by the 2015 Trust Indenture. The 2023 Rate Covenant provides for a surplus of \$3,402,021 if no customer rate increase is made.

2019 F-250 Aluminum Skirted Bed with Toolbox, New Item

Paul explained the existing bed is a bit tall for our newer PA One Call Operator. Additionally, for the months when the salt hopper and spreader are on the truck, no long tools can be stored in the back for maintaining the pump stations. This bed/box would provide storage of all tools necessary.

Motion was made and seconded by Doug Roth/Joe Neubert to approve the purchase of the aluminum skirted bed with toolbox for the 2019 F250 from Mike's Truck Service to be split with the Borough for a total cost of \$10,550. The motion carried.

Solicitor

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

The Solicitor had no further report at this time.

Old Business

None

New Business

None

Executive Session

The meeting recessed at 6:30 p.m. to go into Executive Session to discuss Joint Policy and personnel matters.

The meeting reconvened at 6:49 p.m.

Motion was made and seconded by Doug Farney/Scott Herbst to approve the 2023 Budget Field Crew Splits, Office Employee Splits, Wage Adjustments, Overall Budget Splits and Joint Borough/Authority purchases as presented. The motion carried.

Adjournment

The meeting adjourned at 6:49 p.m.

The next meeting is scheduled for Tuesday, November 15, 2022.

Melissa Wolfe
Billing Coordinator