

SAXONBURG AREA AUTHORITY BOARD MEETING
Meeting Minutes
August 15, 2023

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

Roll Call

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

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

Correspondence

None

Minutes

Chairman Greg Clifford asked if there were any additions or corrections to the Minutes of July 18, 2023. Hearing none, they were approved as submitted.

Public Comments

None

Billing Coordinator/Director of Finance

Melissa Wolfe

KLH Golf Outing, Item A.4.1.2

Melissa explained that Curt, Greg, Doug Roth, and Scott are signed up for this event on September 1st. Details can be found in Exhibit~A.4.1.2.

Annual Arbitrage Calculations, Item C.11

Melissa explained that we have received the annual negative arbitrage calculation from Maher Duessel. She explained that the Investment Yield produced \$407k less than the Bond Yield for the period from June 2015 through May 2023 and therefore, no excess interest is required to be placed in the Rebate Fund for future payment to the IRS.

Mr. Graham cautioned that with interest rates increasing, this negative arbitrage calculation may look different next year.

Controller

Mary Papik

Financial Reports, Item C.2 and C.14

Mary explained that the transition to the new financial software is complete and explained the staff is still reviewing and making improvements to the format of the new APLOS reports. She asked that if any Board member has any recommended modifications to please contact her.

Bills, Item C.2.3

<i>Purpose</i>		SAA	Borough	Park	Total
Borough General Fund	Decrease Adjustments	\$3,739.00	\$6,674.37	\$1,148.80	\$11,562.17
	Payroll	\$64,977.69	\$28,989.51		\$93,967.20
	Checks Paid				\$0.00
SAA Revenue Fund	Decrease Adjustments	\$32,985.20	\$5,037.07	\$25.16	\$38,047.43
	Checks Paid	\$35,579.80	\$2,443.95	\$20.48	\$38,044.23
Total:		\$137,281.69	\$43,144.90	\$1,194.44	\$181,621.03

Motion was made and seconded by Doug Roth/ Rob Mrozek to approve Authority's portion of the bills as presented in the table above in the total amount of \$137,281.69. The motion carried.

BNY Bond Payment, Item C.5

Motion was made and seconded by John Ham/Doug Roth to approve a wire transfer in the amount of \$201,943.76, less cash on hand to BNY for the September 1, 2023, bond payment. The motion carried.

Manager Paul Cornetti

New Employee, Halei Protzman, Item A.1.1

Paul explained that Halei started working for the Authority yesterday and she is a quick learner. Halei seems very happy here. Mr. Clifford extended a warm welcome to Halei.

Motion was made and seconded by Greg Clifford/Rob Mrozek to hire Halei Protzman as the Authority's Administrative Assistant/Billing Technician II effective Monday, August 14th. The motion carried.

User Rates, Item C.8

Paul distributed a copy of a financial analysis that would involve converting existing metered rate residential customers to a flat rate. The study showed that if all existing 1,176 metered rate residential customers were converted to the same \$70 flat rate as the other 2,852 residential customers, \$256,000 more revenue would be created. The report also showed that if the total revenue from residential customers remained the same, but all 4,028 customers paid a flat rate, the flat rate would be \$64.70 per month for all customers. Mr. Mrozek asked how much the rate increase would be for the metered rate residential customers to produce the additional \$250k in revenue each year. Paul explained that the rate increase would be approximately 30%. Mr. Ham asked how much the rate increase would be if all customers were to produce the additional \$250k in revenue each year. Paul explained that the rate increase would be approximately 8% for all customers.

Mr. Roth asked about the history of rate increases and if both metered and flat rate customers received that same percentage increase during the rate increases. Paul

explained that all customers received the same percentage increase during all rate increases. Mr. Graham pointed out that although the percentage increase was the same for all customers, the flat rate customers would have paid more since the average bill for flat rate customers is higher than the average bill for metered customers. The flat rate fee is \$70 per month, while the average monthly bill for metered residential customers is \$51.84. However, this metered rate was established lower since the population per household in the metered rate municipalities was lower than the population per household in the flat rate municipalities.

Paul explained that since the last rate increase in 2013, inflation has risen 31% and the Authority has been able to absorb the effects of inflation primarily due to the development in Middlesex Township. However, development has been slow the past couple years, although the development plans are being planned and developed. The development will come, it has just been slowed recently. Paul explained that a rate increase will be necessary next year.

The Board directed the staff to produce rate adjustment alternatives for consideration.

Route 8 Pump Station Force Main Leaks, Item G. Rt 8

Paul explained that he had hoped to have a proposal for the Board's review for the meeting, but the slip lining company is still pulling together pricing. The proposal will be available next month.

Solicitor

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

534 Steiner Bridge Road, Item J.6.5

Mr. Graham reported that the office has been in contact with a contractor that will be installing the connection. This connection is slated to be completed very soon and therefore we did not proceed with foreclosing on this property.

Old Business

Mr. Mrozek explained that he has been contacted by a resident on E. Main Street regarding the pavement restoration.

Paul reported that the paving is scheduled to be completed on the first of September.

New Business

None.

Adjournment

The meeting was adjourned at 6:20 p.m.

The next meeting is scheduled for Tuesday, September 19, 2023.

Melissa Wolfe
Billing Coordinator/Director of Finance