

ANTRIM TOWNSHIP MUNICIPAL AUTHORITY

JOINT MEETING WITH THE

ANTRIM TOWNSHIP BOARD OF SUPERVISORS OF OCTOBER 31, 2011

The Antrim Township Municipal Authority met Monday, October 31, 2011 at 7 p.m. in the Antrim Township Municipal Building with the following members in attendance: Bob Coladonato, Chad Murray, Elwood Myers, Bob Schemmerling and Rodney Eberly, Antrim Township Municipal Authority; James Byers, Fred Young, Rick Baer and Curtis Myers, Antrim Township Board of Supervisors. Sam Miller, Chairman, Antrim Township Supervisors, was absent. Also attending were Linus Fenicle; Solicitor, Antrim Township Municipal Authority; John Lisko, Solicitor, Antrim Township Board of Supervisors; Brad Graham, Township Administrator; Carl Rundquist, Public Works Director; and David Brinjac, of Brinjac Engineering. Audience members included John Alleman.

Chairman Coladonato called the Municipal Authority to order at 7:00 p.m.

Vice Chairman Byers called the Board of Supervisors to order at 7:00 p.m.

Chairman Coladonato opened the discussion concerning the sewer lease agreement by saying that there is a lot of uncertainty going on concerning the Agreement of Lease dated March 3, 2011. This new lease was prepared and signed when the Authority, at their January 31, 2011 regular meeting, passed a motion for the retirement and refunding of the Authority's guaranteed sewer revenue bonds Series 2005 and 2006. This action would save \$1,093,884 over the life of the loan. The Board of Supervisors guarantees the loan where the Authority makes the payments.

Coladonato presented background information for the lease agreement explaining the definition of an authority along with three options to change the Antrim Township setup which is, the Municipal Authority owns the sewer system and the Township leases the facilities from the Authority.

As Authority members are not pleased with the revised lease agreement, proposed changes to the ATMA lease agreement were presented at the September 26, 2011 Authority meeting. At that time, the consensus of the Authority was to ask the Board to reconsider the idea of remaining "status quo" as an advisory group with no authority or responsibility other than the Authority's repair and improvement fund. Authority members felt the sewer lease agreement should match the behavior, allowing the Township to be in charge of the sewer system.

Coladonato presented three options about what should be done to change the Antrim Township setup. Option 1: Establish a true sewer operation authority complete with Authority employees who are hired by the Authority with operations being separate and independent from the Township with the Authority having their own building and computer system for billing and administrative function and space for recordkeeping files; Option 2: Maintain the current status quo where the Authority Board acts as an "advisory commission" but has minimal responsibility whereas the Township, through the lease agreement, has responsibility for operations and maintenance. Currently the Township has taken the role for management of the sewer system; and Option 3: Change the lease agreement to state that the Township will take over responsibility for operations and maintenance, capital improvements as well as all administrative expenses.

The Authority would retain control of the repair and improvement fund finances; and Option 3a: Set up a sewer commission which acts as an "advisory commission". The Authority would remain in existence but function as a true "financial authority," which could meet quarterly or as needed. The "advisory (sewer) commission" would meet monthly.

Supervisor Young arrived at this time 7:05 p.m.

Coladonato said that Option 1 would probably be very expensive and involved; Option 2 was not good; and Option 3 matches the current organizational setup and would be the least expensive.

Supervisor Myers wondered if an “advisory commission” could make financial decisions to which Coladonato replied that that a financial authority would meet quarterly for the financial end of the decisions, with the advisory commission meeting monthly. Vice Chairman Byers and Supervisor Baer felt that this advisory commission and financial authority would be just another committee, another name.

Byers said he always viewed the Authority as an “advisory board” and Schemmerling said that the Authority had no employees that could do things at their specific direction and representation and communication of some projects were major concerns. Schemmerling continued that if the agreement stays status quo, a supervisor(s) should be appointed to the Authority.

Supervisor Myers asked if it would help if \$2.4 million in sewer money flows back to the authority and the Authority could administer that money for projects? Coladonato responded that the Authority does not have any employees to be directed by the Authority for projects, as the projects would still have to come through the Board.

Supervisor Young said he saw pros and cons with the Authority becoming an “operating authority,” the biggest con being financial. He would like to look at all the scenarios to see which would be the best way to go. Coladonato said that one of the Board’s directives to the Authority was to operate as an authority but this lease agreement does not allow that.

Supervisor Baer suggested looking at Option 3 and doing business that way for five more years.

Solicitor Lisko responded that you can’t get rid of the authority because they have water funds and a repair and improvement fund. He said he thought if there was ever a time to make an independent authority, now would be the time, as an independent authority works much more efficiently. Authority member Myers said he didn’t think there was enough money available to start an operating Authority.

Schemmerling cautioned that a decision on what option to go with should not happen now as the Board of Supervisors and Municipal Authority members will change in January 2012 and suggested they go with Option 3 and if at some point in the future an operating Authority could be created, it would be decided then. In the interim, he suggested remaining at “status quo.”

Supervisor Myers reminded those present that the lease would expire in 2020. Supervisor Young felt that Option 1 was worth exploring.

Young then spoke about the expansion of the water system to Exit 3 and felt that the Authority should extend water to the ATAPCO property at Exit 3 and thought the Authority should initiate the project. Coladonato noted the cost of such a project and Schemmerling said that he would entertain the idea if the Board of Supervisors would be the developer for the project; do the design for the project; and pay for it.

Administrator Graham was concerned about the lease agreement arrangement and how the finances are going to work for solidification of the budget. The lease will need to be changed to work financially, said Graham.

A Baer/Myers motion passed 4-0 (Miller was absent from the meeting) the Supervisors wish to continue the Municipal Authority as “status quo” to the end of the year and meet again at the Authority’s January 30, 2012 meeting to discuss the options.

On a Schemmerling/Murray motion, passed 5-0, the Authority will remain “status quo” and acknowledged as an advisory board with changes to the lease to reflect the status quo position until the

end of the year, with the Authority and Board meeting jointly at the January 30, 2012 Authority meeting to continue discussions.

A Baer/Young motion, passed 4-0 (Miller was absent from the meeting) to adjourn the Board of Supervisors at 8:25 p.m.

Respectfully submitted,

Joyce A. Nowell

Recording Secretary