

## **BETHLEHEM AUTHORITY**

### **Minutes of the Regular Meeting Of the Board of Directors December 13, 2018**

The regular meeting of the Board of Directors of the Bethlehem Authority (“Authority”) was held on December 13, 2018, in Room B504, City Administration Building, 10 E. Church Street, Bethlehem, PA. The meeting was called to order at 3:30 PM by Ms. Sharon Zondag, Authority Chair. Also in attendance were:

Mr. Thomas Donchez, Vice Chair  
Mr. Vaughn Gower, Secretary  
Mr. Dennis Domchek, Treasurer  
Mr. John Tallarico, Assistant Secretary/Treasurer  
Mr. James Broughal, Esq., Solicitor  
Mr. John Filipos, CPA, Controller  
Mr. Stephen Repasch, Executive Director  
Ms. Sandra Zapf, Administrative Assistant  
Mr. Steve Mertz, Officer/Ranger

#### **APPROVAL OF MINUTES**

J. Tallarico moved and T. Donchez seconded to approve the minutes of the November 8, 2018, regular meeting. Motion passed unanimously 5-0.

#### **RECOGNITION OF VISITORS**

- Mr. Stephen Antalics, private citizen
- Mr. Ron Madison, PE, Maser Consulting and Authority Consulting Engineer
- Mr. Ed Boscola, City of Bethlehem Director of Water and Sewer Resources
- Mr. Gene Auman, City of Bethlehem Deputy Controller

#### **COURTESY OF THE FLOOR**

Mr. Antalics stated that he was contacted by Mr. Christman from the Towamensing Historical Society looking for documentation on The Authority. Mr. Christman is applying for a historical designation plaque for buildings inside the Wild Creek Reservoir and needed early relevant information that Mr. Antalics would be likely to know.

#### **CHAIR**

S. Zondag wanted to note that there were a significant amount of projects started this year, some of which will be completed this year but others that will continue into 2019, and wanted to thank all participants in the subcommittees for these projects.

## **EXECUTIVE DIRECTOR**

**Wind Energy Project.** S. Repasch reported that this coming Monday, December 17<sup>th</sup>, is the scheduled Penn Forest Twp. Zoning Board meeting where a final decision on the second application should happen. The project will likely be turned down and then J. Broughal stated that if this does occur, Atlantic Wind will file appeals to eventually get a favorable decision. More potentially recent developments will be discussed in the Executive Session immediately following this regular meeting.

**Forestry Management.** S. Repasch reported that The Authority did receive the check for the carbon credit in the amount of \$261,699.94.

S. Repasch will be meeting with Robin Wildermuth tomorrow to tour the timber site at Wild Creek and to discuss plans moving forward on this project as well as other projects. It was anticipated that this current timbering project would be finished in 2018 but due to poor weather conditions throughout the year it will be pushed into 2019.

S. Repasch received a letter from John Lile from Texas backing out of the sale of the fire tower. Mr. Lile stated that after thinking about it and discussing the sale with a company in upstate New York that deals in fire tower disassembly and assembly, he realized it was more that he could handle and respectfully declines the agreement.

S. Repasch noted that although this brings the sale of the fire tower back to square one, he did receive several inquiries from other individuals and will contact them to see if they are still interested, including the company in upstate New York.

**Property Inventory.** S. Repasch presented a proposal from Woodland Management Resources in the amount of Not-To-Exceed \$7,500.00 for completing a database of properties adjacent to Bethlehem Authority owned land. Question was raised regarding notification of such properties going up for sale and this proposal does address this issue in that priority properties, as designated by the Bethlehem Authority, will be closely monitored on all available tools, i.e. multi-list services, Sherriff Sale, tax sale, etc. V. Gower motioned and J. Tallarico and T. Donchez seconded the acceptance of proposal. Motion passed unanimously 5-0.

**Emergency Water Supply Study.** S. Repasch stated that he did receive a lot of information from AECOM two days ago but did not have time to review. He suggests forming a subcommittee to review details and formulate a path going forward of a more detailed Scope of Work in order to request formal proposals. S. Zondag asked for two volunteers to serve on the subcommittee and T. Donchez and J. Tallarico accepted.

**Arbitrage.** S. Repasch reported he received the letter from the Bond Counsel approving the review of the four year arbitrage calculation and report.

**Audit Proposal.** S. Repasch presented an audit engagement proposal from Maher Duessel for year ending 2018 and noted that it is their standard package with no increase in cost from last year, \$3,620.00. J. Filipos said he reviewed the proposal and suggested approval stating that this

firm is the City of Bethlehem's auditor and that the Bethlehem Authority should use the same auditor. T. Donchez moved and D. Domchek seconded. Motion passed unanimously 5-0.

**Pension Obligation.** S. Repasch indicated that the 2019 MMO obligation is due and was reduced from \$8,109 to \$7,579 due to S. Reppert leaving the Bethlehem Authority and it is included in the budget for 2019 as well.

**4Q18 Income and Expense Projections.** S. Repasch reviewed the 4Q18 Income/Expense Projections as circulated and filed.

**Expense Budget Comparative.** S. Repasch reviewed the Expense Budget Comparative through November 30, 2018, as circulated and filed. Overall, operating revenues are 49%; Professional Services are 116% of budget which is mostly due to survey work by Art Swallow on the hunting club boundary issue and Michele Sciortino on the benefit's review process. The Pipeline Escrow & Expenses is basically a dead issue and will not appear next year. Security & Property is at 87% of budget which includes the addition of three new part-time security personnel. Administrative is at 50% of budget which reflects the retirement of D. Meixell and S. Reppert leaving. Total expenses are 65%. Capital & Reserve Expenses are 132% and Funding is 126%.

S. Repasch indicated that a numbering system for the chart of accounts is being worked on and hopefully will start using next year. In addition, S. Repasch questioned the relevance of some monthly financial reports and suggested a review. This issue will be revisited in 2019.

**2019 Authority Budget.** S. Repasch stated that the final 2019 budget was distributed to the Board prior to this meeting for review. V. Gower moved and J. Tallarico seconded to pass the 2019 Budget. Motion passed unanimously 5-0.

## **TREASURER**

**Financial Planning.** D. Domchek, V. Gower and S. Repasch met with E. Boscola, Ron Sidack and Scott Shearer, PFM financial advisors for the City of Bethlehem, to try to find a way to create an appropriate amount of additional debt to cover a ten year projection of capital spending for the water system. A first draft plan should be available in January but probably not before the next board meeting. After more details and discussions are forthcoming, future plans on how to proceed will need to be discussed. E. Boscola stated that the City of Bethlehem's 2019 budget is set and looks like they might have to start tapping the BRIF. After that is used up, the advanced financing will need to be addressed.

**Investment Summary.** D. Domchek reported that two MRF CD's for around \$675,000 each matured and were rolled over into ESSA Bank and Peoples Security at rates of 2.2% and 2.55% respectively for a period of 9 months. Also two BRIF CD's that matured for around \$411,000 each were reinvested into Embassy Bank and Peoples Security at 2.55% and 2.45% for a period of 6 months. The projected interest from current investments is \$283,000. S. Repasch suggested looking at investment policy early next year to see if there are any changes that the board may want to make. V. Gower mentioned looking at maybe moving down the 15% cap.

**Controller.** J. Filipos's report for the month of November 2018 was circulated and filed. With November being a big month for debt service payments, there were several payments and receipts but the totals look about the same. An updated debt schedule will be created and distributed.

**Resolution 426 – Approval of Expenses.** S. Zondag presented Resolution 426 to the Board for the payment of expenses and transfers from the General and Reserve accounts totaling \$35,804.28.

V. Gower moved and T. Donchez seconded to approve Resolution 426 as presented. Motion passed unanimously 5-0.

### **SOLICITOR**

J. Broughal stated that the City of Bethlehem (COB) is transitioning the 911 system over to the County. In the process of this, the COB needed to give the County access to some of the City's properties that they owned and also properties the City leases from us. A lease agreement was created for the purpose of the sub-lease in regards to the properties as identified as "Water Tank" on Williams Street in Bethlehem that the City leases from us. D. Domchek moved and T. Donchez seconded. Motion passed unanimously 5-0.

J. Broughal also stated that the City is moving ahead with putting the new water line up Route 512. There were three properties involved with this project; two properties in question were condemned, settled with and have the easements but the third property owned by Gary Hunsicker we have not been able to come to an agreement and will need to condemn that easement. The prior resolution approved was only good for one year so a new Resolution No. 427 is presented for approval. V. Gower moved and T. Donchez seconded. Motion passed unanimously 5-0.

### **CONSULTING ENGINEER**

R. Madison had nothing new to report.

### **SPECIAL POLICE**

Officer S. Mertz's report for the month of December was circulated and filed.

S. Zondag wanted to know if charges were made to the individual that was observed on the intake road in Tunkhannock Twp. S. Mertz reported that charges are pending in this case and he will follow up and report back to the board.

### **WATER REPORT**

The Water Report for the month of November, 2018, was created and filed and E. Boscola noted that reservoirs are full.

## **CITY OF BETHLEHEM DIRECTOR OF WATER AND SEWER RESOURCES**

The Director's Report was circulated with no discussion. Highlights of the report include:

- Based on completed 11 months, revenues have exceeded expenses leaving almost \$4 million in cash. Looking into moving some cash over to Capital to augment the 2019 Budget and may not have to tap into BRIF too hard.
- On the Capital Fund as of November, almost \$3 Million was spent and that is the amount budgeted for 2019.
- Discussions are ongoing with financial advisors on options for taking on new debt to fund water capital for next 10 years.
- Advanced metering project is ongoing.

## **COURTESY OF THE FLOOR**

There were no comments during Courtesy of the Floor

## **NEXT MEETING**

Reorganization meeting is scheduled for January 10, 2019, at 3:30pm immediately followed by the next regular meeting.

## **ADJOURNMENT**

T. Donchez moved and J. Tallarico seconded to adjourn the meeting and go into Executive Session to discuss a matter with potential litigation at 4:52pm.