

LEHIGH TOWNSHIP BOARD OF SUPERVISORS

June 25, 2024

- I. CALL TO ORDER. The Lehigh Township Board of Supervisors held their second monthly meeting on June 25, 2024, at 7:00 p.m. The meeting was held at the Lehigh Township Municipal Building, 1069 Municipal Road, Walnutport Pa. 18088. Chairman Mike Jones called the meeting to order with the Pledge of Allegiance and roll call.

Present: Cindy Miller
David Hess
Janet Sheats
Mike Jones
Jerry Pritchard
Attorney David Backenstoe
Alice Rehrig

II. APPROVAL OF THE MINUTES

- A. Minutes of June 11, 2025. David Hess made a motion to approve these minutes. Jerry Pritchard seconded the motion. All voted aye. Motion carried.

III. APPROVAL OF BILLS.

- A. General Fund Checks 27842 to 27883. Cindy Miller made a motion to approve these checks. David Hess seconded the motion. Linda Roman questioned what the results were for the testing of the water at all the parks. Alice Rehrig commented the results all came back good, except for Danielsville which tested positive for bacteria and is in the process of being worked on. Linda Roman also questioned why there were so many legal bills. Mike Jones commented each Board has their own attorney. All voted aye. Motion carried.
- B. State Fund Checks 1600 to 1602. Cindy Miller made a motion to approve these checks. David Hess seconded the motion. All voted aye. Motion carried.

IV. OLD BUSINESS

A. Maintenance Building

1. Vision Mechanical, Payment Request #9. Cindy Miller made a motion to approve Vision Mechanical Payment Request #9 in the amount of \$29,139.16. David Hess seconded the motion. David Hess questioned what the status was of the completion of the blacktop and pouring of the concrete pad in the back. Alice Rehrig commented they are holding off as long as possible to try to complete the blacktop after the concrete pad is poured. The concrete is part of the bid for the fuel island which is going to be on the next agenda so that will give a better time frame. Janet Sheets questioned if the final inspection has been scheduled. Alice

Rehrig commented they can schedule that shortly because the electrical work is being completed this week. Paul Nikisher questioned when the fuel island was going to be installed. Mike Jones commented the bids are due next week.

V. NEW BUSINESS

- A. American Legion/Hometown Heros Project. Jeff Wiedner, Commander of the American Legion was present to discuss a Hometown Heros Project. The families of the serviceman would purchase the banners or there could possibly be a fundraiser to purchase the banners. They are in the process of obtaining permission from PPL to install the banners on the poles. They are requesting the Township's assistance with installing the banners on poles. The banners are 33 inches by 60 inches. He is hoping to be able to order 75 or more to keep the cost of the banners down. He would like to do this around Labor Day or Veterans Day.

Mike Jones commented the Board briefly discussed this last month and they did not have an objection to helping, but would like to limit the installation to once a quarter when the road crew has the time as opposed to having the road crew be installing a banner or two every week.

Mr. Wiedner commented he will have a street address or pole number on the order form because the banners are typically hung near the service person's home. The Board suggested that both the street address and the pole number be on the application. The Township does not have the ability to enter a pole number and know what address a pole number is near. Cindy Miller questioned what would happen if there were multiple people in an area who ordered banners. Is it first come, first serve? Mike Jones commented he wants it so that the Township is just hanging the banners in the location that they are told. Mr. Wiedner commented he will make sure the locations are worked out before giving the information to the Township.

Cindy Miller made a motion to assist the American Legion with the Hometown Heros Project. David Hess seconded the motion. Paul Nikisher questioned if the banners will be double sided. Jeff Wiedner confirmed that they would be. Sandy Hopkins questioned if there was anything else needed besides completing the form and payment. Mike Jones commented you would also need to submit a picture of the individual in their service uniform. Marc Kerckmar suggested adding a line on the application that indicates that the Township will be assisting with installing the banners at intervals throughout the year or something to that effect so people aren't expecting the banners to be installed immediately when they send in their check. All voted aye. Motion carried.

- B. Manager's Report. Alice Rehrig did not have anything specific to report outside her written report.

1. Traffic Light Controller. Alice Rehrig learned that we have replacement value on the traffic lights so therefore, if we file a claim, we can recoup everything but our deductible from the \$5,300 bill. The Board agreed a claim should be filed.
- C. Solicitor's Report. Attorney Backenstoe reported he received a call from the Attorney for the Municipal Authority regarding a loan situation and where the Authority is with payments. Back in 2014, the Authority borrowed about \$900,000 to consolidate PennVest loans for lines they installed. At that time, the Authority couldn't not get a loan unless the Township guaranteed the loan, which is not uncommon because authorities are not taxing entities. The loan was for 10 years and there was a balloon payout in 2024. The Authority's Solicitor had indicated to Attorney Backenstoe that the Authority was not able to make their balloon payment which was due this past month and they are working with the bank on refinancing the loan which is down to about \$625,000. The Municipal Authority is going to have to refinance their existing loan and the bank is going to require the Township again guarantee the loan.

Carl Sharpe commented they are working with the bank and they are willing to refinance the loan for another 15 years and the interest rate will be lower than what they currently are paying. When this loan was taken, it was three bank mergers ago. The gentleman who is currently working on the loan had no clue the loan was coming due and the Authority was never notified about it. The Authority should have known about it, but they also should have received a 60 day notice. The Authority is working through it, a longer term and a lower interest rate which is good for them so they can keep their water rates the same. It is a matter of doing the paperwork and getting it through. Everything seems to be in order for the loan, it's just that the Supervisors would need to do what is needed to guarantee the loan.

Attorney Backenstoe commented he did speak with Attorney Andreas regarding the Municipal Authority absorbing the costs involved with the Township guaranteeing the loan because the Township will have to meet the requirements of the Local Unit Debt Act and there is an extensive amount of paperwork that is involved.

Jerry Pritchard questioned when the deadline was for the \$600,000 to be paid. Attorney Backenstoe commented it was June 1. Jerry Pritchard questioned why the Board was just finding out about this now when each month the department heads are on the agenda to offer a report. Carl Sharpe commented the Authority did not know about this until after the last meeting. Jerry Pritchard commented he finds it puzzling that no one knew about this. Mike Jones commented the Board has been asking for someone to attend their meetings. Phil Gogel commented he has attended most meetings, but there really is nothing going on right now. There was no notification

from the bank. There usually is a 60 or 90 day notification. He doesn't know what they were doing sitting on it and all of a sudden, they get a notification when it is due. Although the Authority should have known it was due, they cannot shoulder all the blame because the bank didn't notify them in advance. They are doing the best they can with the situation they have.

Cindy Miller commented in the past, she had asked to have the Municipal Authority on the agenda, and this is why. She has seen residents owe the Authority over \$200,000 and has questioned in the past how they are going to collect what is in arrears; what is the plan. They don't get feedback on it. She is upset about this. She hears what is being said that the bank didn't notify them, but it is their responsibility like everyone else to pay attention to what is going on with your account and when things are due. She understands they weren't notified, but as far as she is concerned, the full fault is on the Authority. The reason that she has always asked what is going on with the Authority is because it does revert back to the Township. It is the way the law is written and the Township has to bear the burden. Phil Gogel commented the Township is not going to be incurring the \$600,000. The Authority will be taking ownership of that. As far as the delinquent accounts, they can't go to someone's house and beat them over their head to get the money. They have their attorney working on that. They have liens against properties. They just had a property go to Sheriff's Sale and they received \$10,000. Just like the Township, they cannot force someone to pay; there is a legal process they have to go through with placing liens on a property. The loan was for the water entity. The outstanding account balances is on the sewer entity which is operating in the black. They would have enough in the sewer account to cover the loan, but it's prudent to take the loan out versus loaning from themselves through a separate internal entity. Cindy Miller questioned if the Board will get the particulars on the loan as far as length of term, rate, and payment amounts. Phil Gogel commented the water portion of the Authority will have enough to cover the loan payments, just like they have in the past, but the note was called. He will agree they maybe they should have been more on top of this, but sometimes they don't follow everything to the tee. They don't scour the books each month. Carl Sharpe commented he will admit, that he as Chairman is responsible and it is their problem. Phil Gogel commented if they were notified in advance, he would have reported it to the Board that it was coming due and what their plan was rather than waiting until the last minute.

Janet Sheats questioned who from the Authority was notified in the past. Carl Sharpe commented this is the first time that the loan came due; it was a 10 year note.

Carl Sharpe also noted the sewer and water are entirely two different entities. One does not overlap the other so they have no ability to shut sewer down because they do

not control the water flow. The \$250,000 that is outstanding is pretty much among eight to ten customers. There are customers who haven't paid in 20 years and there is nothing they can do other than place liens on properties.

Jerry Pritchard questioned what they will be doing differently going forward to make sure this doesn't happen again. Carl Sharpe commented moving forward, they will be more mindful of items like this. Mike Jones questioned what penalties were associated with the note being due on the 1st. Carl Sharpe commented the bank is not charging any penalties. They are taking responsibility in that they should have sent a notice in advance that the note was coming due.

Attorney Backenstoe commented from what their solicitor explained to him, the bank changed hands three times, going from Susquehanna to BB&T and now Truist. Whomever had the account was not paying attention and did not provide the notice to the Authority. Right now, the Board doesn't have to do anything. The Authority needs to work through the process of renegotiating the loan and when they get to a certain point, their solicitor will contact Attorney Backenstoe because they will need certain approvals from the Township and their bond counsel will need to prepare the paperwork for submission to DCED under the Local Unit Debt Act. This process could take up to three months. Mike Jones questioned if the bank will be changing any type of fees while the Authority is waiting for everything to be completed. Carl Sharpe commented he doesn't believe the bank will be charging fees. Mike Jones commented he would like confirmation of this.

Mike Jones questioned who the Authority has to watch this type of thing. Phil Gogel commented they have a manager. He understands he should have known about this and fully regrets not knowing this was due. Janet Sheats commented she understands there is not much going on, but feels the Authority should at least give the Board a quarterly report of what is going on.

Phil Gogel commented part of the problem with the water accounts is that there are only 100 customers and there are legacy costs that go with the system. Carl Sharpe noted without a mandatory water connection ordinance, they do not have a means to generate additional customers until the Jaindl project is started. Once they do the residential portion, there will be an additional 500 customers. The current water rates do reflect the loan payments they had and there will not be an issue with paying the new loan. Attorney Backenstoe commented the Authority did not default on any of their monthly payments. They just didn't have the money to pay for the final balloon payment.

Linda Roman commented she had heard that Jaindl has prepaid his water bill to Bethlehem Authority. Mike Jones commented the water will come from Bethlehem to a booster station owned by the Authority and then supplied to the development.

Linda Roman commented if the Authority knew there was a balloon payment with the loan, why wasn't anyone watching it. Mike Jones commented LTMA explained that they didn't realize it was coming due and the bank didn't notify them. Phil Gogel commented this happens all the time and is not unusual. It is just the way the process works. Municipalities have to loan money to put in water and sewer systems for the public. This will end up being a better deal for them.

Monica Brown questioned how long it will take to collect the liens on the properties. Phil Gogel commented it takes until their property gets sold. Attorney Backenstoe commented the Authority could force a sale of a property, but the Authority would need to bid the price of the mortgage and any other liens against the property. Carl Sharpe commented the Authority has discussed this and, in his opinion, they need to go after their worst offenders. It will be easier to do so once they receive the tapping fees from Northwoods.

- VI. PUBLIC COMMENT. Katherine Mack commented she did speak with Mr. Getz regarding keeping the agenda and minutes up to date and explained the Sunshine Law requirements to him. Katherine Mack questioned how the information is put on the website. Alice Rehrig commented it is emailed to the Township Office and then added to the website. Katherine Mack commented the Township could ask them for the information. Cindy Miller commented it is not the Township's responsibility to get the information. The Authority is a separate entity from the Township.

Katherine Mack commented on the agenda it states the Board is going into Executive Session for personnel. Based on the Reading Eagle Company vs. the City Council of Reading. You cannot have a one word agenda items for executive session. You need to inform the public slightly more, such as job performance, evaluation, etc. If you are talking about a specific person, that person has the right to have that heard at a public meeting and the person is allowed due process so that person can defend themselves if you are talking about something that relates to an individual person. Attorney Backenstoe commented the Reading Eagle case dealt with litigation and a Township going into an executive session that just stated litigation. The Sunshine Law is pretty clean in that it needs to be readily identifiable or active litigation so you are supposed to state the name of the case or potential case before you go in to executive session to talk about it. For personnel, he would disagree. You can go into executive session to discuss someone's performance, what they are doing, and if you are going to make a determination when you come out of executive session which could negatively impact that person, they have the right to be notified about it ahead of time that the Board is

going into executive session to make a decision which will affect them in a negative fashion. At that point, they would have the right to discuss it in public if they want to. They may not want it discussed in public because they don't want issues aired publicly. If you are going into executive session to review performance, employment or an issue, he doesn't believe the person needs to be put on notice unless you are going to take some specific action. He doesn't believe you need to add any additional information beyond personnel for personnel discussions. Personnel is private; it is very sensitive. You are obviously talking about someone's salary or performance or something similar. If you are not going to be taking any type of action, he doesn't believe anything more than personnel needs to be stated.

Katherine Mack questioned what happens if something is brought up at a public meeting about personnel or an individual. Attorney Backenstoe commented it depends upon who brings it up and what the context is. Katherine Mack questioned what the Board's responsibility is as far as a response. Can it be discussed in a public meeting then? Attorney Backenstoe commented it could be depending upon the situation and if it is an answer to a question.

Paul Nikisher questioned if anything further has been done with the leasing of the property at Delps. Mike Jones commented it has not been advertised yet. The lease will be effective next year.

Katherine Mack questioned if the public will be able to see how the money in the budget will be rearranged in order to accommodate the payment that was required as a result of the lawsuit. Alice Rehrig commented she should have the resolution ready for the next meeting. Katherine Mack questioned how it will be demonstrated. Alice Rehrig commented it will be a budget adjustment for multiple accounts. She will do the necessary adjustments for the entire budget.

VII. EXECUTIVE SESSION—PERSONNEL. No action was taken.

VIII. ADJOURN. David Hess made a motion to adjourn. Jerry Pritchard seconded the motion. All voted aye. Motion carried.