

**WEST HANOVER TOWNSHIP BOARD OF SUPERVISORS  
7171 ALLENTOWN BOULEVARD, HARRISBURG, PA 17112  
TUESDAY, JANUARY 18, 2011**

**WORKSHOP SESSION: 6:00 PM**

**CALL TO ORDER – 6:00 p.m.**

Mr. Klein called the workshop to order at 6:00pm

**ROLL CALL**

Adam Klein, Chairman  
Linda Turns, Secretary/Treasurer  
Bill Ostermayer, Supervisor

Jay Megonnell, Vice Chairman  
Chris Scott, Supervisor

**PUBLIC COMMENT: None**

**OLD TOPICS: None**

**NEW TOPICS:**

Discussion – Financing Fire Station Construction Scott Shearer and Zach Williard, Public Financial Management- Mr. Shearer reviewed the financing objective and timeline for the project. He provided a brief summary of the prior loan the Township had which was the 1996 Emmaus Bond Pool Program. This was a variable rate loan with the average rate of the loan at 2.90%; the Township paid this loan as scheduled. The financial analysis provided three options for the Board to review and discuss. The options are as follows:

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
Type of Financing	Bond Pool Loan	Bond Issue	Bank Loan
Principal	\$3,000,000	\$3,000,000	\$3,000,000
Prepayment Option	Anytime	5 Year Call	Prepayment Penalty?
Estimated Fixed Costs	\$20,760 *	\$90,183	\$33,000
Final Maturity	2028	2028	2028
Structure	Level	Level	Level
Construction Fund Deposit	\$2,979,240	\$2,909,817	\$2,967,000
Estimated Total Interest	\$1,046,358	\$1,374,023	\$1,142,723

\*Includes an estimated \$33,000 Issuance Cost Subsidy for the Bond Pool Financing (Option 1)

Mr. Shearer reviewed the three options for the Board. Solicitor Yost asked about interest rates. Mr. Shearer reviewed the estimated total interest rates for all options as well as the break out cost for each option. There was general discussion among the Board regarding the three options and which one is the best for the Township. Mr. Shearer was asked for his recommendation for the Township; he believes that Option 1 is the best type of financing for the Township and this project. The Board will authorize the type of financing at the February 7<sup>th</sup> Board meeting.

**ADJOURNMENT: 6:20 PM**

**EXECUTIVE SESSION**