

**WEST HANOVER TOWNSHIP BOARD OF SUPERVISORS  
7171 ALLENTOWN BOULEVARD, HARRISBURG, PA 17112  
MONDAY, FEBRUARY 7, 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:**

Lou Verdelli, RBC Capital Markets-WSA Financing- Mr. Verdelli gave a brief background of his company and his relationship with the WSA. Mr. Verdelli reviewed the financing options which are available for the WSA. He reviewed the federal tax guidelines that states if issuers issue \$10 million dollars or less of any type of bonds or bank notes per year they can label those bonds Bank Qualified Bonds. Bank Qualified Bonds offer lower interest rates and shorter prepayment provisions. Mr. Verdelli reviewing the following options:

Authority Issues Sewer Revenue Bonds

- No Township Guaranty
- Bonds only secured by sewer revenues

Authority Issues Guaranteed Sewer Revenue Bonds

- Township Guaranty
- Bonds only secured by sewer revenues and Township taxing power
- Lower interest rate than sewer revenue bonds
- Does not impact Township borrowing capacity
- No additional costs to Township

Township Issues General Obligation Bonds

- Authority enters into subsidy agreement to pay debt service
- Lowest interest rate
- Does not impact Township borrowing capacity
- No additional costs to Township

There was general discussion among the Board and Bob Jones, Chairman of the WSA regarding the proposed project timeline and cost; current debt of the WSA; and rate increases to Township residents. Different finance options were discussed as well as possibly taking a loan in 2011 and one in 2012 for the WSA, in order to make them Bank Qualified Bonds.

The Board agreed that the Township's borrowing requirements for the fire station must take precedence before agreeing to help the WSA.

Mr. Verdelli briefly reviewed the current market conditions for the various options, interest rates, and recent comparable transactions in Township's in Pennsylvania. It was the consensus of the Board that the Township wants to help the WSA obtain the lowest interest rates for financing the project.

***Ms. Turns moved, seconded by Mr. Megonnell to approve the Township to issue General Obligation Bonds for the WSA plant expansion project. Motion passed unanimously.***

#### Other Workshop Items/Information

Scott Shearer, Public Financial Management- Mr. Shearer was present to answer any questions from the Board regarding the proposed financing options for the fire station project that were discussed at the January 18<sup>th</sup> workshop. Mr. Scott stated that the Township must have a plan in place other than gaming grants. There was general discussion of potential gaming grants. The Board will make a decision during the Board meeting this evening regarding the financing of the fire station project.

Ms. Turns brought up the issue of the fire company leases for the current fire station and future fire station. She has sent her suggestions to Solicitor Yost, her concerns include: the terms of the leases, insurance issues, and maintenance issues. Solicitor Yost will make the recommended changes and will forward the leases to the fire company for their review.

**ADJOURNMENT: 6:55 PM**