

WEST HANOVER TOWNSHIP BOARD OF SUPERVISORS
7171 ALLENTOWN BOULEVARD, HARRISBURG, PA 17112
MONDAY, DECEMBER 20, 2010

WORKSHOP SESSION: 6:00 PM

CALL TO ORDER – 6:00 p.m.

Ms. Turns called the workshop to order at 6:00pm

ROLL CALL

Linda Turns, Chairman
Chris Scott, Secretary/Treasurer
Bill Ostermayer, Supervisor

Jay Megonnell, Vice Chairman
Adam Klein, Supervisor

PUBLIC COMMENT: None

OLD TOPICS: None

NEW TOPICS:

Presentation – Financing Fire Station Construction, Scott Shearer and Zach Williard, Public Financial Management- Mr. Shearer gave the Board background on Public Financial Management and their relationship with the Township. PFM has worked with the Township since 1996, and have assisted in loans for road improvements and Exit 77. Mr. Shearer made a presentation to the Board, and reviewed the following:

- There are two types of municipal bonds: (1) General Obligation Bonds and (2) Revenue Bonds. In the past the Township has obtained General Obligation Bonds.
- Borrowing Laws- There are federal and state laws that must be followed.
- The financing objective for the fire station construction project. This includes: Low upfront financing cost, maximum prepayment flexibility, and administrative ease.
- Financing Options- There are three options for the Township (1) Bond Issue (2) Bank Loan (3) Bond Pool Loan. Mr. Shearer reviewed the aspects and requirements of each financing option.
- Review of fixed rates and variable rates.
- Two sample borrowing options were presented and reviewed. The options included variable rated bond pools for 2.5 million and 2.75 million.

There was general discussion among the Board regarding the cost of financing teams for various financing options and applying any future grants received to the loan. Ms. England stated that the Board will have the exact figure of what will be necessary to borrow once bids have been received, notification of grant money received from the County, and the financial contribution from the Township. Ms. Turns requested to see the cost ratios on all financing options. Ms. England suggested a workshop on January 18th to discuss a sample schedule, upfront costs, and review an example of a three million dollar loan for illustrative purposes. This presentation will allow the Board to decide on what type of loan will benefit the project. The Board agreed to hold a workshop on January 18th.

Don Steinmeier, Vice Chairman of the Water & Sewer Authority, brought up that the WSA will be borrowing close to 9 million dollars for the plant upgrade project and may have to fall back on the Township for a guarantee. He asked how the WSA project will affect the Township loan request. Mr. Shearer stated that there will be an impact, but not affect future borrowing capacity. The WSA loan will be self liquidating.

Other Workshop Items/Information- None

ADJOURNMENT: 6:40 PM

EXECUTIVE SESSION