

**GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
THURSDAY, DECEMBER 12, 2019 MINUTES**

The special meeting of the General Municipal Authority of the Township of Manheim was held on Thursday, December 12, 2019 at 9:30 a.m. at the Manheim Township Municipal Building, 1840 Municipal Drive, Lancaster, Pennsylvania. Authority members present were: J. Michael Flanagan, James J. Lombardo, Ben Webber, Sam Mecum, and Dale Weaver. Also present were Solicitor William C. McCarty and Jennifer Steigelman, Finance Director. (Acting as recording secretary in Township Manager, Sean Molchany's absence.)

The meeting was called to order by Mr. Lombardo. He led all in attendance in the Pledge of Allegiance.

There was no public comment.

There were no minutes for approval for this meeting.

There were no financial reports for this meeting.

There was no public hearing for this meeting.

There was no old business for this meeting.

New Business

Resolution Approving Modifications of the Terms of the Existing Financings Undertaken on Behalf of Lancaster Bible College

Mr. McCarty explained the Authority has acted as a conduit issuer for five different financings for Lancaster Bible College. All issued notes are under loan agreements with Fulton Bank. The notes are non-recourse; the Authority's essential obligation is to pass through payments made by LBC under the loan agreement to Fulton Bank. LBC is amending their existing notes in order to take advantage of the current very low interest rates and lower their debt service.

The changes were, as to the notes, sufficiently material under applicable IRC requirements to require a TEFRA Hearing which was properly advertised and held on Monday, December 9, 2019. At their December 9, 2019 meeting, the Manheim Township Commissioners approved Resolution 2019 – 15 approving the modifications of the tax-exempt financing of the General Municipal Authority pertaining to LBC.

Mr. Frederick, bond council for LBC, stated this is strictly a refinancing. There is no increase in the debt amount, and it will be non-bank qualified. This will not count against the Authority's ten-million-dollar cap. All but \$10,000,000 dollars of the debt will be modified and effectively refinanced now. Effective January 1, 2020 the remaining \$10,000,000 will be modified and effectively refinanced as bank-qualified. If the debt is bank-qualified, it will lower the interest rate by approximately 3%. Since the aggregate debt is \$27,000,000 not all the debt can be made bank-qualified this year. The resolution before the Authority includes

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the approval of the execution of the documentation needed to complete them modification and refinancing of all the debt including the remaining \$10,000,000 in 2020. This will restrict the Authority from further bank-qualified debt financing, in some cases, in 2020.

Mr. Flanagan made a motion to approve the modifications of the terms of the existing financing undertaken on behalf of LBC. Seconded by Mr. Mecum. Mr. Lombardo asked if there were any further questions or comments. There were none. Motion carried unanimously.

There being no further business, on a motion by Mr. Mecum, seconded by Mr. Flanagan, it was moved to adjourn the meeting at 9:48 a.m. Motion carried unanimously.

The next meeting will be Friday, January 17, 2020 at 7:30 a.m.

Respectfully submitted,

Jennifer Steigelman
Acting Recording Secretary