

**GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
THURSDAY, DECEMBER 2, 2010 MINUTES**

The special meeting of the General Municipal Authority of the Township of Manheim was held on Thursday, December 2, 2010 at 7:30 a.m. at the Manheim Township Municipal Building, 1840 Municipal Drive, Lancaster, Pennsylvania. Authority members present were: James J. Lombardo, Edward J. Plakans, Steven O'Donnell and J. Michael Flanagan. Mr. Gary Johnson was absent. Also present were Solicitor William C. McCarty, Dawn Stratchko, Director of Finance and Township Manager-Secretary Michael D. Rimer.

Mr. Lombardo called the meeting to order at 7:30 a.m. The meeting began with a presentation by Mr. Rick Wilson, Executive VP for Lancaster Bible College. Mr. Wilson outlined the college construction projects and project update. The college has had its largest enrollment ever. Plans for the campus have been approved by the College Board, which includes improvement of the new Student Learning commons, library, resident halls and promenade. There has been \$4.5 million committed in the college's capital campaign. Fulton Bank was chosen to assist in the financing of the campus project. Mr. Wilson reminded the board that the college is a non-sectarian college with an educational mission.

Mr. Lombardo had a few questions about the full funding of the project. The Authority would be assisting the college with \$17.5 million toward the project. The Authority questioned again the purpose of this financing. Mr. McCarty outlined the basic structure of the loan and clarified for the Authority that Fulton Bank is the lender. The Authority is merely the conduit issue or "pass through" entity to meet the public mission of the financing. The college is the borrower and the Authority will also assign payments to Fulton Bank. The contract documents for the financing indemnify the Authority entirely from any obligations or liabilities. Mr. McCarty clarified that serving in this capacity is permitted under the Authority's ordinance and "project." The Authority's action today (if approved) is still contingent on the Board of Commissioners approval, which will take place on December 13, 2010.

Mr. Flanagan questioned why there were two notes in the financing package. A representative from Fulton Bank indicated that there were two different notes with different interest strategies for the project.

Mr. Lombardo questioned whether the Authority's action was contingent on other Township approvals from the Planning Commission or Zoning Hearing Board. Mr. McCarty indicated that these approvals are independent of the financing package, but essential to the overall implementation of the project.

Mr. Wilson introduced Mr. John Yoder who provided more detailed information on the construction project and the phasing of the improvements. A handout (attached) was the focal point of the presentation. Mr. Yoder indicated that the building permit process was already underway and was expected in December, 2010 or early 2011.

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Mr. Lombardo asked for a description of the promenade. Mr. Yoder indicated that the promenade would be a central feature of the campus with access improvements. No new buildings were being constructed in this area.

Mr. Lombardo questioned the indemnification of the Authority in the financial package for the project. Mr. McCarty indicated that this language was not in the resolution being acted upon today, but that the contract documents provide the indemnification language.

Mr. Flanagan asked for an explanation as to why the agreement language indicated \$30 million. Mr. McCarty explained that the IRS has certain limits and caps on this type of agreement and that the agreement states the Authority cannot exceed this amount. Mr. Lombardo noted that the agreement language was inconsistent with the other amount of \$17.5 million. A representative of Fulton Bank indicated that the additional amount is customarily added to cover any incidental expenses that may present themselves prior to closing.

With the discussion concluded, Mr. Lombardo asked for a motion to approve the financing for the Lancaster Bible College. The motion to do so was made by Mr. Flanagan, seconded by Mr. Plakans and approved unanimously (4-0).

As part of the financing approval process, Mr. McCarty indicated that the Authority was required to hold a T.E.F.R.A hearing. Mr. McCarty opened the public hearing at 8:08 a.m. Mr. McCarty asked for any public comment. There was none. The Authority closed the public hearing at 8:09 a.m.

Mrs. Stratchko inquired as how the legal fees would be charged and Mr. McCarty and a representative from Fulton Bank responded by saying the fees would be paid as part of the closing for the financing.

There being no further business, on a motion by Mr. Flanagan, seconded by Mr. O'Donnell, the special meeting was adjourned at 8:11 a.m. Motion carried unanimously.

The next regularly scheduled meeting will be Friday, January 21, 2011 at 7:30 a.m.

Respectfully submitted,

Michael D. Rimer,
Recording Secretary