

**GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY, OCTOBER 21, 2011 MINUTES**

The regular meeting of the General Municipal Authority of the Township of Manheim was held on Friday, October 21, 2011 at 7:30 a.m. at the Manheim Township Municipal Building, 1840 Municipal Drive, Lancaster, Pennsylvania. Authority members present were: Edward J. Plakans, J. Michael Flanagan and Gary R. Johnson. Also present were Solicitor William C. McCarty, Engineers G. Matt Brown and Dale Kopp, PE, Finance Officer Dawn M. Stratchko and Township Manager-Secretary Michael D. Rimer. Guests at the meeting also included Jeff Davis, Senior VP of Presbyterian Senior Living and other representatives of the development team.

Mr. Plakans called the meeting to order at 7:34AM and led all in attendance in the Pledge of Allegiance to the flag of the United States of America and then called the meeting to order.

In the spirit of not holding the visitors at the meeting too long, Mr. Plakans invited representatives of Presbyterian Senior Living (PSL) to go forward with their presentation. Presbyterian Senior Living (PSL) was in attendance to seek public financing for building 3B at Long Community at Highland. The 3B building project is a \$13 million project and PSL is seeking \$10 million in financing.

A significant portion of the initial PSL presentation focused on a project summary report which is attached and made part of the minutes.

While Mr. McCarty did not feel there was a conflict issues, he did feel compelled to notify the Authority members of Mr. Jeff Gross of his law firm is a current member on the Long Home Board.

Mr. McCarty explained that the financing proposal is the same conduit type financing arrangement that the Authority has entertained several times over the years. The financial responsibility clearly stays with the borrower, Presbyterian Homes, Inc. and will not put the Authority in any financial risk. The limit of conduit financing available through the Authority is \$10 million in 2011. No other financing of this kind would be eligible in 2011 as borrowing balance is at the maximum level.

Mr. Plakans questioned whether the Authority should table to take some action now. Mr. McCarty explained that the process would be similar to those in the past whereby there would be a need for a TEFRA hearing, authorizing resolution, hearing in the County, which could be held at an upcoming Commissioners meeting and some other steps.

Mr. Flanagan asked whether there was a deadline for the process, to which Mr. McCarty referenced the need for a few weeks at the end of the year to close on the loan documents. Mr. Plakans questioned whether or not, if approved, this process would have to close in 2011. Mr. McCarty felt that this was the case. Mr. McCarty indicated that it would take a few weeks to go through the notification process for the hearing and other matters. He reminded the Authority that all fees for the financing and hearing

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notifications would be paid by the borrowers.

The Authority had some general discussion as to its ability to attach its own financing fee, which had been charged in other conduit financing arrangements approved recently. The Authority members agreed that a fee between \$5000 or \$10,000, or a fee at \$10,000 would be reasonable and consistent with its past practice. In response to comments from representative of PSL in regards to non-profit status and property taxes paid to the Township in the future, the Authority members discussed the incorporation of Payment in lieu of taxes language in any agreement that would ensure future resources for the Township in the future. Mr. McCarty would explore this strategy.

Mr. Flanagan made a motion seconded by Mr. Johnson to go ahead and set a special meeting date for November 18, 2011 at 7:30AM to address the conduit financing process and item and that Mr. McCarty would proceed with appropriate coordination of the program. Mr. Johnson indicated that he was not sure if he would be available. Mr. Rimer commented that he would pool the members, but that we would grab the date and attempt to have a quorum to take action on the financing proposal

Following the discussion pertaining to the PSL financing, Mr. Plakans turned the Authorities attention to the regular business of the meeting.

The minutes of the July 15, 2011 meeting were approved as presented on a motion by Mr. Flanagan, seconded by Mr. Johnson. Motion carried unanimously

The financial reports for July, August and September 2011 were presented by Mrs. Stratchko to the Authority or review. The reports were accepted on a motion by Mr. Johnson, seconded by Mr. Flanagan. Mrs. Stratchko indicated that tapping fees to the Authority were coming in despite the slowing economic trends. After no further discussion the motion carried unanimously.

After general discussion of the invoices, the following bills were approved for payment, on a motion by Mr. Johnson, seconded by Mr. Flanagan:

1. Payment to ARRO Consulting Inc. in the amount of \$13,557.39
2. Payment to Dallas Data Systems in the amount of \$5,176.00
3. Payment to Hartman, Underhill & Brubaker in the amount of \$9,078.21
4. Payment to Lancaster Newspapers Inc. in the amount of \$168.70
5. Payment to Manheim Township Commissioners in the amount of \$220,604.38
6. Payment to Marks Contracting LTD in the amount of \$297,229.35

Motion carried unanimously.

Following the approval of the bills, Mr. Brown and Mr. Kopp from Arro provided an update on the water line project. They noted the new water line and pumping station are operating very well. Mr. Rimer noted the e-mail information sent from the City to the

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Authority about water quality issues and corrective action and financial reimbursement to customers. Relative to the sediment “stir up” of the distribution system when the new pumping station was being tested and the subsequent financial assistance request from the City, Mr. Brown explained to the Authority members that any improvement to a water distribution system, regardless of how small could cause some dirty water complaints. This is a normal occurrence for this type of project. He noted the City, as experienced operators of the system, are aware of this and that a discussion of possible dirty water problems were held with the City prior to putting the main in service. Because of the size of this project, a significant number of complaints, especially in the Manheim Pike/Park City Mall area were noted. Mr. Brown indicated that ARRO worked out a flushing plan with the City to remove the sediment in the mains at no cost to the City. City personnel successfully executed the flushing plan and the pumping station was tested and put into service.

Mr. Brown indicated that overall, the water system in the northern end of the Township with the improvements is operating better than ever before. The City will now be in a position to serve new water customers in that area of the Township, where there were service limitations prior to completing the project. Mr. Brown and Mr. Kopp explained that with the pumping station in operation, the Neffsville Tank can be filled regardless of the time of year. Mr. Brown also explained that an additional bonus to the project is the current Oregon Pike pumping station, which is no longer needed to help fill the Neffsville Tank. Therefore, service pressures along Oregon Pike will be improved.

At the conclusion of Mr. Brown’s remarks, the Authority paused the meeting for an Executive Session with Mr. McCarty to discuss legal matters related to the Authority. The Executive session started at approximately 8:15AM.

At the end of the Executive Session, the Authority reconvened briefly. Noting no other correspondence, Mr. Plakans called for a motion to adjourn the Authority meeting. On a motion by Mr. Johnson, seconded by Mr. Flanagan, the regular meeting was adjourned at 8:50 a.m. Motion carried unanimously.

Respectfully submitted,

Michael D. Rimer. Manager-Secretary
Recording Secretary.