

The Board's Minutes of the East Donegal Township Board of Supervisors
Held on August 7, 2014

The regular meeting of the Board of Supervisors of East Donegal Township was held on Thursday, August 7, 2014 at 7:30 PM in the East Donegal Township Municipal Building, 190 Rock Point Road, Marietta, PA 17547.

The meeting was called to order by Supervisor Dennis J. Drager.

Supervisor Esbensshade led with a Prayer and Pledge to the Flag.

Roll call of Supervisors: Present were Dennis J. Drager, Chairman; Allen D. Esbensshade, Vice Chairman; John Murphy, Member and Jeffrey Butler, Township Manager.

Mike Ridgeway, Executive Director of Dream Ride Projects, was present to thank the Board of its ongoing support of the annual Dream Ride that originates and travels through the Township. In addition, this year they are hoping to include the Township's portion of the Northwest Lancaster County River Trail into their activities for families and younger riders. Mr. Ridgeway indicated that this year is the 19th year of the event.

Mr. Brad Dunn, 14 Honeysuckle Drive (Castleton development) asked the Board about the damage done to the curbing and signs at the intersection of Honeysuckle Drive and Ore Mine Road. It was indicated that the developer is still responsible for this undedicated improvements and that the development has been notified regarding the obligation to repair the damaged area. Mr. Dunn reminded the Board that school begins shortly and that this corner is a school bus stop.

Mr. Dunn informed the Board that street lights are still lacking within his section of Honeysuckle Drive in the Castleton development. It was discussed that the streets and other improvements within the rights-of-way have not been dedicated to the Township. The improvements will have to be completed, including street lights, and inspected prior to the Township accepting dedication.

The Board approved the minutes for July 3, 2014 and July 9, 2014, by a motion made by Mr. Esbensshade and seconded by Mr. Murphy. Discussion: None. Vote: Mr. Murphy; yes, Mr. Esbensshade; yes, Mr. Drager; yes. Motion carried.

A motion was made by Mr. Murphy and seconded by Mr. Esbensshade to approve the Treasurer's Reports for the Township and Maytown East Donegal Township Fire Department and approve the payment of all bills. Discussion none. Vote: Mr. Murphy, yes; Mr. Esbensshade, yes, and Mr. Drager; yes.

Mr. Drager acknowledged the receipt of the Balance Sheets for all Township Funds which were mailed to each Supervisor dated July 14, 2014.

Mr. Jamie Schlesinger, Public Finance Management, Inc. (PFM) was present to discuss financing of the proposed renovation/expansion of the Township municipal building. PFM circulated a request for proposals to financial institutions to finance the municipal building project. The term sheet circulated indicated the maximum amount to be borrowed as \$2.5 million. In addition, the request sought proposals with a term length of 15 years, variable rate options for 5, 7 and 10 years, and a maximum rate cap of 4.5%.

Mr. Schlesinger presented the results of the proposal solicitation to the Board. Eight banks responded to the request and there were 18 variations in the proposals submitted. Most financial institutions provided proposals within the parameters of the request, however, some banks provided for options not initially requested.

SUMMARY OF BANK PROPOSALS											
1	2	3	4	5	6	7	8	9	10	11	12
15 Year Fixed Rate Proposals											
Bank	Fixed Rate	All-In Borrowing Rate	Comments								
Mid Penn Bank	3.530	3.538895									
Ephrata National Bank	3.650	3.658982									
5	6	7	8	9	10	11	12				
15 Year Fixed/Variable Rate Proposals											
Bank	Initial Rate	Initial Years	Variable Rate	Cap Rate	All-In Borrowing Rate Based on 10-Year Historic Average	All-In Borrowing Rate Based on Cap	Comments				
Mid Penn Bank	3.160	10	3.544 ⁽¹⁾	4.000	3.218703	3.277762					
Mid Penn Bank	2.740	5	3.544 ⁽²⁾	4.000	3.120959	3.328483					
Susquehanna Bank	2.900	7	3.712 ⁽³⁾	4.500	3.188165	3.448229					
Adams County National Bank	2.990	7	3.780 ⁽⁴⁾	4.500	3.261657	3.498772	Floor of 2.65%				
Ephrata National Bank	2.900	7	3.598 ⁽⁵⁾	4.905	3.144488	3.574277					
Susquehanna Bank	2.620	5	3.712 ⁽⁶⁾	4.500	3.188674	3.578319					
Adams County National Bank	2.650	5	3.780 ⁽⁷⁾	4.500	3.229009	3.584660	Floor of 2.65%				
Ephrata National Bank	3.350	10	3.598 ⁽⁸⁾	4.905	3.396262	3.591097					
Adams County National Bank	3.450	10	3.780 ⁽⁹⁾	4.500	3.505630	3.612688	Floor of 2.65%				
Fulton Bank	3.120	7	3.444 ⁽¹⁰⁾	4.625	3.237895	3.627265	Requires annual sinking fund deposits January 1				
Fulton Bank	2.670	5	3.444 ⁽¹¹⁾	4.625	3.073039	3.658143	Requires annual sinking fund deposits January 1				
Ephrata National Bank	2.650	5	3.598 ⁽¹²⁾	4.905	3.140516	3.784369					
Union Community Bank	2.970	5	4.253 ⁽¹³⁾	10.000	3.622058	6.243962					
10 Year Fixed/Variable Rate Proposals											
PNC	1.930	7	2.758 ⁽¹⁴⁾	4.000	2.052981	2.218728	Ten year term, Yield Protection				
PNC	2.130	10	N/A	N/A	N/A	2.137990	Ten year term, Yield Protection				
PNC	1.710	5	2.758 ⁽¹⁵⁾	4.000	2.098642	2.536345	Ten year term, Yield Protection				

Variable Rate Assumptions

10-Year 30-Day LIBOR Average:	1.7827%
10-Year Prime Average:	4.7252%

- ⁽¹⁾ 75% of Prime
- ⁽²⁾ 75% of Prime
- ⁽³⁾ 68% of LIBOR +2.50%
- ⁽⁴⁾ 80% of Prime
- ⁽⁵⁾ 70% of LIBOR +2.35%
- ⁽⁶⁾ 68% of LIBOR +2.50%
- ⁽⁷⁾ 80% of Prime
- ⁽⁸⁾ 70% of LIBOR +2.35%
- ⁽⁹⁾ 80% of Prime
- ⁽¹⁰⁾ 67% of Libor +2.25%
- ⁽¹¹⁾ 67% of Libor +2.25%
- ⁽¹²⁾ 70% of LIBOR +2.35%
- ⁽¹³⁾ 90% of Prime
- ⁽¹⁴⁾ Libor + 65% of 1.50%
- ⁽¹⁵⁾ Libor + 65% of 1.50%

Payment Analysis	
Mid Penn 5 Year Rate Proposal Average Annual Payment	\$215,000.00
Mid Penn Bank 10 Year Rate Proposal Average Annual Payment	\$214,000.00
PNC Bank Fixed Rate Proposal Average Annual Payment	\$282,000.00

Mr. Schlesinger indicated that all the proposals received were excellent. Mr. Schlesinger drew the Board's attention to the proposals of Mid-Penn Bank and PNC Bank. He indicated that they appear to be the best proposals, however, they differ in how the proposals are structured. The Mid-Penn Bank proposal had a 15 year term length, a variable rate for 5 years becoming a fixed rate with an overall cap of 4.0%. The PNC proposal was a fixed rate proposal for a 10 year term.

There was general discussion of the Mid-Penn Bank and PNC Bank proposals regarding the difference in terms and costs. Mr. Murphy stated that he favored the PNC proposal due to the lower interest rate, based on assumptions made in the analysis, equates to a potential savings of approximately \$390,000 over the term of the loan. Mr. Drager stated that although there's the savings over the term of the loan, the projected annual payment would be approximately \$67,000 more per year than the Mid Penn Bank proposal.

Mr. Drager and Mr. Murphy both stated that it was the Board's intent to secure funding for the project without the need to raise the Township property tax rate. Mr. Drager expressed the opinion that a lower annual minimum payment obligation would assist in holding to that goal. Mr. Murphy expressed the opinion that the overall savings of a lower interest rate would benefit in maintaining that goal.

Mr. Schlesinger stated that one important difference separates the proposals of Mid Penn Bank and PNC Bank. Mid Penn Bank allows for a 2 year drawdown of the loan by the Township, while the PNC Bank proposal provided for a 1 year drawdown. The Township project will not be completed within 1 year of closing on the loan.

A motion was made by Mr. Murphy, and seconded by Mr. Esbenshade, to accept the proposal presented by PNC Bank for a 10 year fixed rate of 2.18%. Vote: Mr. Murphy, yes; Mr. Esbenshade, yes; and Mr. Drager; no.

Mr. William McCarty, Hartman Brubaker & Underhill, serving as bond counsel to the Board, presented the required ordinance permitting the Township to incur debt and explained the process of State approval and closing of the loan. A motion was made by Mr. Murphy, and seconded by Mr. Esbenshade, to adopt Ordinance 2014-2 Authorizing the Incurrence of Nonelectoral Debt by the Township of East Donegal by the issuance of a general obligation note in the authorized aggregate amount of Two Million Five Hundred Thousand (\$2,500,000), to be designated as the "East Donegal Township, General Obligation Note, Series 2014". Vote: Mr. Murphy, yes; Mr. Esbenshade, yes; and Mr. Drager, yes.

The Board considered the following items listed on the Consent Calendar. A motion was made by Mr. Esbenshade, and seconded by Mr. Murphy, to approve the following Consent Calendar items. Vote: Mr. Murphy; yes, Mr. Esbenshade; yes and Mr. Drager; yes. Motion carried.

- A. Authorized the purchase of Bobcat 5590 Skid Loader with milling head attachment and snow bucket from Bobcat of Lancaster for a total purchase price of \$41,941.70, after trade in of existing skid loader value of \$8,000.00.
- B. Acknowledged receipt of Conditional Use Application of Cellco Partnership d/b/a Verizon Wireless for the construction of a commercial communications tower on property located at 444 Musser Road and scheduled a public hearing of the Board of Supervisors on the application for the regular meeting of September 4, 2014 at 7:30 PM.
- C. Approved the requested waiver of the isolation distance between an existing well and proposed on-lot sewage disposal replacement system on property owned by James Snyder, located at 666 Kraybill Church Road, as recommended by David Lockard, Sewage Enforcement Officer. The isolation distance of 80 feet was improved instead of the required 100 feet.

Liaison Assignment Reports –

- A. Administration/Personnel - Supervisor Esbenshade - None
- B. Finance - Supervisor Murphy - None
- C. Parks and Recreation - Supervisor Esbenshade - None
- D. Planning and Development - Supervisor Drager - None
- E. Public Safety - Supervisor Murphy - None
- F. Public Works - Supervisor Drager – There was a brief discussion regarding a change in the roadway projects to be undertaken in 2014. The Drager Road and Ore Mine Road projects are not going to be completed this year. However, the portion of Rock Point Road that was recently widened will be given a leveling course of asphalt. The additional paving of Rock Point Road was not part of the work program for the year, but will cost less than the two projects dropped from consideration.

Announcements/Reports:

Mr. Butler indicated that PPL has recognized the Township for efforts taken to save energy and improve the environment. This recognition is a result of the lighting upgrades undertaken in the public works shop and fire station.

Zoning Officer's report: For the month of July 2014, Permit #Z-014075 through Permit #Z-014199 was issued for a total value of \$1,126,975.00. Total Zoning Fees collected equaled \$31,226.00.

Roadmaster's Report: The July 2014 Report was received.

Northwest Emergency Medical Services Report: For July 2014 Northwest EMS responded to 39 calls in East Donegal Township. For the calendar year 2014, Northwest EMS has responded to a total of 290 calls in East Donegal Township.

Fire Department Mount Joy Report: For the month of May 2014, the Fire Department responded to 2 first due in East Donegal Township.

Maytown East Donegal Township Fire Department: No report was given at this time.

Rheems Fire Department: No report was given at this time.

A motion was made by Mr. Esbenshade and seconded by Mr. Murphy to adjourn at 9:40 PM.

Respectfully Submitted,
Jeffrey L. Butler, Township Secretary

The next regular meeting of the Board of Supervisors will be held on Thursday, September 4, 2014 at 7:30 PM