

NORTHEASTERN YORK COUNTY SEWER AUTHORITY

August 5, 2013

The Northeastern York County Sewer Authority held a special meeting on Monday, August 5, beginning at 7:00 PM in the Authority meeting room at 200 North Main Street in Mt. Wolf.

Authority members in attendance were:

**Mt. Wolf Borough**

Patti Fisher

**Manchester Borough**

Clair Good  
Gene Snell, Jr.

**East Manchester Township**

Joel Klinedinst

**Engineer**

John Leen

**Solicitor**

Attorney Stacey MacNeal

**Plant Superintendent**

**Recording Secretary**

Pat Poet

**Special Projects Coordinator**

Tom Beakler

Visitors in attendance were Gordon Walker, Bill Carlin and John Scott from Rhoads & Sinon.

**FINANCING**

Mr. John Scott from Rhoads & Sinon explained the two different Bond Series. Series A is for purchase of the land and Series B is for the refinancing of the Build America Bonds, which are currently through Susquehanna Bank. The Authority can decide tonight to accept the funding commitment from Del Val for those two Series and the Guarantee Agreement with Manchester Borough, Mount Wolf Borough and East Manchester Township. A second supplemental indenture is required because the Authority needs to pledge the revenue on the debt service, guarantee agreement and funding commitment.

Gordon Walker presented updates on the current interest rates offered by Del Val. The \$3.1 million he suggests to leave in a variable rate, which is currently 0.95% until the subdivisions are approved by Manchester Township, which will most likely occur next year some time. Gordon explained that he will return to the Authority at that time to review the current interest rates and a decision will then need to be made to fix the rate for a number of years, or continue at a variable rate.

August 5, 2013

Page 2

The refinancing at this time for the approximately \$1.6 million with Susquehanna Bank is currently 2.6% after reimbursement of a portion of the interest from the IRS. As of last week, the three year fixed rate with DelVal was 0.97%. Gordon recommends the Authority fix the rate for this Series at three years, which will leave a lot of flexibility to change in the future. Gordon noted the closing could be held the 16<sup>th</sup> or 17<sup>th</sup> of September, depending upon the approval of the Guarantees by the three municipalities.

He recommended a built-in call feature be included in the financing, which will allow the loan to be refinanced with no penalty to the Authority.

The loan is being insured by Municipal Insurance Corporation – MAC. Gordon explained that if the Authority could not make their bond payment, MAC would make the payment and then come after the Authority for the money. He noted this may be the first issue that MAC has insured in Pennsylvania.

Del Val is taking care of advertising the Guarantee Ordinances for the three municipalities.

Attorney MacNeal reminded the Authority that a work session will be held at the Township Office next Monday, August 12<sup>th</sup>, to review the financing and answer any questions the three municipalities may have.

**Resolution 2013-5** – A Good/Fisher motion was made to approve Resolution 2013-5, which authorizes the issuance of the \$4,700,000 guaranteed sewer revenue bonds, 2013 Series, and authorizes signature of the Resolution Certification. Motion passed unanimously.

7:24 PM – Executive Session called to discuss possible real estate acquisition.

7:42 PM – Regular meeting called back to order.

**Agreement of Sale** – A Klinedinst/Good motion was made to approve the Agreement of Sale with Sinking Springs Farms, L.P. with the following conditions: (1) correct typographical errors, (2) add reference to purchase of tractor, (3) change closing to 30 days after recording plan, (4) add time limit to get subdivision approval (nine months with 90 day extension), (5) correct exhibits, (6) add tax parcel ID numbers, (7) adoption by three member municipalities of guaranty ordinances. Motion passed unanimously.

**Requisition 2013-16** – A Good/Fisher motion was made to approve payment of \$100,000.00 to Dominion Abstracting Company to hold in escrow for the purchase of Sinking Springs Farm. Motion passed unanimously.

### **Adjourn**

At 7:45 PM a Good/Klinedinst motion was made to adjourn. Motion passed unanimously.

**REGULAR MEETING - Monday, August 26 - 7:00 PM - 200 North Main Street**

