

UPPER MERION TOWNSHIP BOARD OF SUPERVISORS  
SEPTEMBER 16, 2010

The Board of Supervisors of Upper Merion Township met for a Business Meeting on Thursday, September 16, 2010, in Freedom Hall, in the Township Building in King of Prussia. The meeting was called to order at 7:40 p.m., followed by a pledge to the flag.

ROLL CALL:

Supervisors present were: Greg Waks, Bill Jenaway, Joseph Bartlett, Edward McBride and Erika Spott. Also present were: Ron Wagenmann, Township Manager; Joseph Pizonka, Township Solicitor; Judith A. Vicchio, Assistant Township Manager and Angela Caramenico, Assistant to the Township Manager.

MEETING MINUTES:

It was moved by Mr. McBride, seconded by Mr. Jenaway, to approve the August 19, 2010 Business Meeting Minutes as submitted. Chairman Bartlett abstained since he was not present at that meeting. Motion approved 4-0-1.

CHAIRMAN'S COMMENTS:

Chairman Bartlett reminded seniors that September 23 is the date of this year's Senior Fall Fling. He also noted the vigilance, quick work and outstanding performance once again of Upper Merion police in apprehending a bank robber and that this was the second such incident and apprehension within the year. Chairman Bartlett also reported on an executive session relating to litigation.

NEW BUSINESS

SHADE TREE AND BEAUTIFICATION AWARDS

Ms. Barbara Van Clief, Chairman, Shade Tree and Beautification Commission, with the assistance of Dr. David Krasner, Commission member, presented awards to the following residents:

Residential Winners:

Carmen & Rosalie Caruso	1040 Longview Road, King of Prussia
Ralph & Leslie Mariani	790 Burgundy Circle, King of Prussia
Bill & Sue Morgan	209 Glenwood Road, King of Prussia
Ralph & Joan Palumbo	143 Crossfield Road, King of Prussia
Ms. Linda Richmond	277 Anthony Road, King of Prussia

Backyard Winners:

George Bohachevsky & Eileen Delaney	156 Anderson Road, King of Prussia
Elizabeth & Ralph Schumacher	947 Longview Road, King of Prussia

Commercial Winner:

Liberty Property Trust	151 S. Warner Road, Wayne
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Mr. Bartlett thanked the residents who have made special efforts to make and keep their part of Upper Merion Township beautiful.

Mr. Waks recognized the efforts of the Shade Tree and Beautification Commission for their tireless efforts in judging and selecting the various properties for the awards program.

CONSENT AGENDA:

1. Waiver of Fees – Upper Merion Municipal Utility Authority
2. Resignation re: Jane Moore from the Shade Tree & Beautification Commission

Board Action:

It was moved by Mr. McBride, seconded by Mr. Waks, all voting “Aye” to approve the Consent Agenda as submitted. None opposed. Motion approved 5-0.

PRESENTATION ON SOLAR ENERGY

Mr. Andy Meserve, VP, Solar Sales & Development, Tangent Energy Solutions, provided an overview of the company and offered a presentation regarding the feasibility of providing at least some of the Township’s power needs via solar. The proposal involves three projects, one on the roof of the township building, one at the township garage, and one in Heuser Park. He cited the cost, how projects are financed and environmental benefits.

Since the roof of the township building needs to be replaced in or around 2012, a review was made of what the cost would be without a roof and what it would be if the roof replacement would be included into the price of the power. Mr. Meserve indicated that there is a time factor involved in making a decision on this project as certain monetary incentives expire by the end of the year.

Mr. McBride asked for clarification about solar panels on a flat roof in the event of a fire, if they remain energized, and how firefighters would know there were panels on the roof before pouring water on an energized panel. Mr. Meserve responded that there is signage indicating solar panels are there, disconnects on the roof and ground and fire code that governs their location on a roof.

Mr. Jenaway commented that early this summer the issue of solar panels came up elsewhere in the township and the fire companies and code enforcement had training classes on this issue. He said that there will be a number of ways firefighters would be alerted, but it raises the point that there are some safety issues involved. If there were to be solar panels here or elsewhere, during the inspection process that information would be collected by code enforcement staff and placed into the computerized preplanning information that goes to the county emergency dispatch service. Fire companies would receive a copy of this printout when they are dispatched.

Mr. Jenaway pointed out that there were not a lot of municipalities signed up for solar and asked for further clarification from a municipal standpoint. Mr. Meserve responded that there is one smaller municipality starting construction – East Marlborough Township, but he could not think of one that was completed. He said that school districts have “jumped on” before municipalities.

Mr. Jenaway commented that Colonial School District was mentioned earlier in this presentation and that the total square footage of buildings would probably equate to what Upper Merion Township’s total square footage of buildings would be. Mr. Meserve responded that his company is doing Colonial Middle School and Colonial Elementary School and those two systems together are about 665 kilowatts and slightly less than Upper Merion.

Mr. Jenaway clarified that it would still be comparable in size so that if a relationship were to be made about the form of a type of a solar field and type of construction project it would be something similar to Colonial. Mr. Meserve responded in the affirmative. Mr. Meserve commented that Bethlehem School District in Lehigh Valley is a little bit larger and that his company is initially doing five schools there and they have four more that they want to do.

Mr. Jenaway asked if Tangent's has expertise in these size buildings. Mr. Meserve responded in the affirmative. He said that Tangent is an industrial/institutional company and not residential or small commercial.

Mr. Wagenmann commented that during discussions he has had with Mike Stokes at the Montgomery County Planning Commission there was no indication about any problem involving the park since it is definitely offsetting the total electricity that is used for the park. Mr. Wagenmann will have Mr. Stokes look at the plans.

Mr. Waks asked about the time frame to complete the entire project if the Board were to approve in October. Mr. Meserve responded if the Board approved (for talking purposes) on October 1, it would probably take two to four weeks to get the final engineering designs prepared with stamp drawings to submit to the permitting office. The permitting process could take anywhere from a week to 20 days. Minor construction could start in 2010 and then in January/February 2011 pending any major weather issues, the major construction would start and it is estimated that completion would occur in March 2011.

Mr. Waks commented that Mr. Meserve had the opportunity to provide a presentation during a Workshop Meeting and it was helpful to have him return at this meeting so that the township residents would have an opportunity to see the type of financial and environmental savings that could be realized.

### BUDGET GUIDELINES

Mr. Ron Wagenmann, Township Manager, provided a summary of the guidelines prepared at the Goals and Objectives brainstorming session which was held to identify savings in the 2011 operating budget. The key item recommended for the Board's consideration and adoption are:

- Real estate tax rates for general, library, parks, fire apparatus, capital, municipal building and open space are to remain unchanged if possible. *Mr. Wagenmann noted that if a change is recommended a significant justification would be required for the Board of Supervisors.*
- Salary adjustment for all employees, as per contract which is 5% for 2011.
- Non-salary expenditures are indicated as no growth from 2010.
- Homestead Exclusion Program will continue pursuant to Act 50 of 1998. The initial amount of \$72,500 of the assessed value of any homestead property in Upper Merion Township shall be excluded from the Upper Merion Township real property taxation.
- Fees and charges will be evaluated by each department to ensure that all direct and indirect costs of operations are covered.
- In the area of personnel and staffing a hiring freeze would remain in place except for critical personnel. *Mr. Wagenmann noted that a critical personnel need would require approval of the Board of Supervisors to fill that position vacancy. Staff will continue to explore avenues of increasing efficiency and possible job sharing in that particular area.*

- Capital budget requests for 2011 should be consistent with the five year Capital Improvement Plan (CIP) approved in 2010—with specific emphasis on projects with a critical nature. All new General Government Capital Budget requests must have a dedicated funding source identified. *Mr. Wagenmann noted that there will be no capital funding available through real estate tax dollars or reserves as in the previous year.*
- Sewer capital budget requests must be consistent with the five year CIP and be critical in nature. Project requests are limited to no more than three per division. (Trout Run and Matsunk are considered a division and the Collection System is another division).
- Equipment replacement will be identified separately as a part of the budgeting process. Due to limited funding, items will be replaced only when absolutely necessary. Appropriation will take place at the time of replacement.
- All non personnel costs are to be kept at the 2010 level, with further possible reductions as discussed this evening regarding electricity.

Board Action:

It was moved by Mr. McBride, seconded by Mr. Waks, all voting “Aye” to approve the budget guidelines as outlined by the Township Manager. None opposed. Motion approved 5-0.

HEARING RE: ORDINANCE – 2005 BOND REFUNDING

Mr. Joseph Pizonka, Township Solicitor, stated that notice of this hearing was published in the Times Herald on September 13, 2010.

Mr. Mike Wolf, firm of Boenning and Scattergood, was sworn in and stated that at the last Business Meeting on August 19, 2010 he discussed the possibility of finding a way to refinance the series 2005 bonds to produce a savings.

Mr. Wolf emphasized the importance of retaining the Township’s Triple AAA bond rating from Moody’s in securing the best rates. Upper Merion is one of four municipalities in Pennsylvania with this designation. Mr. Wolf also noted that the Moody’s report contained favorable comments about the management of the Township during the economic downturn.

Mr. Wolf stated that interest rates that were paid on prior bonds were averaging about 3.5% and will be replaced with newer bonds with a rate of 1.25%. As a result of the refinancing the Township will net approximately \$292,000 in savings.

Mr. Wolf provided an overview of the various exhibits in the handout he submitted and pointed out that in about five or six years, the Township’s debt service will drop dramatically. He noted that the largest amount of outstanding debt is for the two authorities (Municipal Authority and General Authority) which were refinanced late last year. Once this debt is eliminated in 2016 the Township will be left with very little debt. The Township was recognized in the Moody’s report for having 84% of its debt paid within ten years and retiring debt twice as fast as the recommended average.

Mr. Wolf concluded his presentation by indicating that the Township will make the last payment due on the old bonds on November 1, 2010.

Mr. Waks encouraged Mr. Wolf to remain alert to other opportunities for refinancing in the near future.

Mr. Wolf indicated that the open space bonds issued in 2006 are up for refinancing next year and it is possible that a way can be found to save money there.

Mr. David Twaddell, bond counsel, from firm law firm of Rhoads & Sinon, stated that he worked in cooperation with the Township Solicitor to prepare the legal documentation necessary for the issuance of the bonds. He said that the ordinance that was prepared follows the requirements of the Pennsylvania Local Government Unit Debt Act. Mr. Twaddell explained that when the township borrows money that is outside the Township Code, there is a special statute that governs the procedure for incurring debt. By enacting an ordinance the Township accepts the purchase proposal that has just been outlined and enters into a contract with Boenning and Scattergood to set the interest rates that Mr. Wolf has just reviewed. The actual settlement for the bonds is scheduled to occur on November 1, 2010 which is the first date on which the 2005 bonds can be paid off. By deferring to that date it is possible to eliminate any interest expense between now and then. In addition to accepting the purchase contract, this ordinance also sets forth the procedures for issuing the bonds, the form of the bonds, and approves the necessary filing that must be made with the Department of Community and Economic Development in Harrisburg which is the state agency that has jurisdiction over local government units incurring debt. This is to ensure that the Township is within its statutory debt limits. Mr. Twaddell noted that as Mr. Wolf has indicated the Township is well within the limitations on debt for municipalities.

Mr. Twaddell stated that the form of the ordinance is the same ordinance that the Township enacts each time it incurs debt. The changes involve the numbers, dates, and dollar amounts.

Board Action:

It was moved by Mr. Waks, seconded by Mr. McBride, all voting “Aye” to approve the 2005 Bond Refunding ordinance as submitted. Roll Call Vote: Mr. Waks – Aye, Mr. Jenaway – Aye, Mr. Bartlett – Aye, Mr. McBride – Aye, Mrs. Spott – Aye. Motion approved 5-0. Ordinance No. 2010-792 was adopted and will be filed in Ordinance Book 15.

Additional comments subsequent to the Board action:

Mr. Twaddell stated that this is the only legislative action that the entire Board needs to take. The documents have been prepared that need to be executed by the Chairman and the Secretary of the Township for filing with the Department of Community Development and that can occur next week. Subsequent to the approval of the ordinance an advertisement will be published in the newspaper next week which will set forth the range of interest rates on the bonds and the final dollar amounts. In addition to the purchase contract prepared by Boenning and Scattergood there is also the customary official disclosure document that has been offered to the bondholders which describes the township and the bond issue. Approval of the ordinance is approving that document and Mr. Wolf’s firm will make that document available to the supervisors electronically. It is a good summary of the demographics and finances of the township. If there is any factual information in this document that is incorrect, it is important to bring it to their attention so they can make the investors aware.

Mr. Twaddell concluded his remarks indicating that the settlement will occur on November 1, 2010. That is the time when the money will change hands and savings begin to be realized. There will be a pre-settlement with the officers of the township between now and then, but it is not necessary for the Board to act again.

BUSINESS IMPROVEMENT DISTRICT HEARING RE: ORDINANCE  
AMENDMENT

Mr. Joseph Pizonka, Township Solicitor, stated that notice of this hearing was published in the Times Herald on September 1, 2010.

Mr. Ron Wagenmann, Township Manager, was sworn in and stated that the basic purpose of the ordinance is to make two changes to the original ordinance. The first change is in Section 4 where it is amended to state that the Board of Supervisors is authorized to appoint a Collection Authority to manage the collection of the property assessment fees and to enter into an agreement with the King of Prussia Business Improvement District in the form approved by the Township Solicitor. This opens up the flexibility of who can collect. The other change is that if the property assessment fee is paid in advance or not paid when due, the Collection Authority shall issue discounts and penalties consistent with current Upper Merion Township bill and tax collection procedures.

Mr. Bartlett asked for clarification about the appointment process. Mr. Wagenmann responded that the BID is out now getting price information and they will come back to the Board of Supervisors with a recommendation and then the Board of Supervisors will appoint a Collection Authority as per the ordinance.

Mr. Waks pointed out that Mr. Wagenmann is one of the nine board members of the Business Improvement District and as such will have some say in the process.

Board Action:

It was moved by Mr. Waks, seconded by Mr. McBride, all voting "Aye" to approve the ordinance amendment. None opposed. Motion passed 5-0. Ordinance No. 2010-793 was adopted and will be filed in Ordinance Book 15.

RESOLUTION 2010-19 RE: LOAN AGREEMENT

Mr. Wagenmann stated that the Business Improvement District (BID) requires an advance of funds for startup. He explained that Resolution 2010-19 provides for a loan agreement wherein the Township would advance up to \$175,000 at 2.8%. This will be accomplished with withdrawals to the BID so that they can operate until assessments are collected.

Mr. Bartlett asked for clarification about the time frame on the agreement. Mr. Wagenmann responded that the BID's final organization meeting is scheduled for September 29 and draw downs could begin before the end of the year. There is an ongoing search process for an Executive Director.

Mr. Waks stated that it his understanding that 2.8% is more than twice as much as the Township is receiving for any of its CD's. Mr. Wagenmann responded in the affirmative.

Board Action:

It was moved by Mr. McBride, seconded by Mr. Jenaway, all voting "Aye" to approve Resolution 2010-19. None opposed. Motion passed 5-0.

ADDITIONAL BUSINESS

ENGINEERING APPOINTMENT

Mr. McBride stated that several months ago the Township submitted requests for proposals (RFP) from engineering firms to assume a defined engineering function in the Township. A careful review has been completed. Mr. McBride offered a motion that the Board of Supervisors award this contract to T&M Associates, Plymouth Road, Plymouth Meeting, Pennsylvania, in accordance with the RFP guidelines.

Board Action:

It was moved by Mr. McBride, seconded by Mr. Jenaway, all voting “Aye” to approve the engineering appointment as stated. None opposed. Motion passed 5-0.

SOUTH GULPH ROAD CONSTRUCTION

Mr. Jenaway announced substantial construction being at the intersection of Henderson and South Gulph Road where the new ramps are being installed for I-76. He said there would be some delays over the next few weeks and encouraged those who use that road to take advantage of the website that was established in conjunction with PennDOT that provides roadway alerts to assist with travel plans and options.

From the public:

Gene Lonchar, Swedeland, cautioned the Board to go slowly on a solar power vendor.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 8:41.

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RONALD G. WAGENMANN  
SECRETARY-TREASURER  
TOWNSHIP MANAGER

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Minutes Approved:

Minutes Entered:

The entire proceedings of the business transacted by the Board at this Business Meeting were fully recorded on audio tape, and all documents submitted in connection thereto are on file and available for public inspection. This is not a verbatim account of the minutes, as the tape is the official record and is available for that purpose.