

MINUTES
EXETER TOWNSHIP BOARD OF SUPERVISORS MEETING
FEBRUARY 16, 2017

Public Hearing

A Special Meeting of the Exeter Township Board of Supervisors was called to order on Thursday, February 16, 2017, at 6:05 P.M. in the Township Building by Lisa A. Vanderlaan, Chairperson.

Supervisors Present: Lisa A. VanderLaan, Chairperson
John Cusatis
William "Chip" White
Jeff Bukowski (7:30 P.M.)

Absent: Gary E. Lloyd, Vice Chair

Others in Attendance: John Granger, Township Manager

The Meeting was opened with the Pledge to the Flag

PUBLIC COMMENT: Agenda Items
No Public Comments

Presentation from Firms of their qualifications, experience and proposed scope work

Michael Vind, representing FS&L, reviewed the firm's qualifications and experience on the issue at hand. He stated that their cost would be on an hourly rate which would be credited against their success fee if one was reached which would be based on 65 basis points of the total sale. There would be no requirement as to whether or not the Board choose to move to potential sale or leasing of the system.

Mrs. VanderLaan asked if there would be a significant difference in the value compared to sale or leasing of the facility. Mr. Vind indicated that the value would be the same for either option.

Mr. Cusatis asked for examples of the work. Mr. Vind reviewed several examples.

Mrs. VanderLaan asked what other fees would be involved. Mr. Vind indicated that there would be some legal expenses for the Township.

Mr. Cusatis asked how many bids they anticipated the Township would receive. Mr. Vind indicated that in the first round he would anticipate between 10 and 15 bids and that they would be reduced in subsequent rounds.

Mr. Granger asked the timeline they felt the project would take. Mr. Vind indicated that the timeline would be between four (4) to six (6) months depending on whether or not the PUC was involved in the process.

Mr. Bukowski indicated that he would not vote on the matter due to a conflict.

The Board thanked FS&L for their time and effort, their presentation and interest in Exeter Township.

Jamie Schlesinger, **Scott Shearer**, and **Melissa Hughes**, representing PFM, reviewed their personal qualifications and the firm's qualifications and experience to undertake this project. Mr. Shearer indicated that Act 12 set a series of requirements that were different from the requirements that the firm had attended to in prior years. He suggested that the value of the sale would be greater than the lease due in large part to the requirements of Act 12. He suggested that a rate freeze could take place for up to four (4) years.

MINUTES OF FEBRUARY 16, 2017 BOARD OF SUPERVISORS – PAGE 2 OF 2

Mrs. VanderLaan asked their experience in terms of serving as a financial advisor. Mr. Shearer replied that they have done similar work for a number of clients and assisted clients in determining the allocation and use of the proceeds. He discussed several examples for the Board to consider. He stated that there were no restrictions on the use of the proceeds, especially after the retirement of the bonds.

Mrs. VanderLaan asked Mr. Shearer to review his fees. Mr. Shearer indicated that they would charge hourly and that they would require a success fee in the amount of 40 basis points based on the value of the sale if the sale were to take place.

The Board thanked PFM for their time and effort, their presentation and interest in Exeter Township.

Steve Goldfield, representing PRAG, discussed the firm's qualifications, experience and approach to the proposed scope of work. He reviewed history of the firm's projects in Pennsylvania, the potential use of proceeds and their experience in establishing trusts.

Mrs. VanderLaan asked if there was a difference between the value of a sale or a lease. Mr. Goldfield replied that a sale would be of more value, especially in the environment of Act 12.

Mrs. VanderLaan asked about the freezing of rate structure. Mr. Goldfield indicated that typically rate structure are frozen for a period of time, however, that it would be subject to negotiation and will have an impact on the value of the sale.

Mr. Goldfield indicated that his firm has had extensive experience in increasing the value of the sale of assets and reviewed for the Board the experience that the firm had in the city of Scranton and Harrisburg with the sale of their various assets.

Mr. Cusatis asked about their rate structure. Mr. Goldfield indicated that they would bill hourly. In order to cap the hourly fees a maximum fee of \$1.25/1,000 of value of the sale of the asset would be established.

The Board thanked PRAG for their time and effort, their presentation and interest in Exeter Township.

Selection of consultant to perform work

MOTION of Mr. Cusatis, seconded by Mr. White, the Board accepted the proposal of PRAG to provide the Board with consulting services with respect to the financial decisions about the wastewater treatment system. Mr. Bukowski abstained.

The Board reviewed each firm's proposal. Mrs. VanderLaan indicated that she felt as if PFM were selling their financial management services and was not comfortable with their approach. She felt that F S&L did not have sufficient depth to meet the needs of the Township. She was very much impressed with PRAG's presentation and felt that they were the best all around.


Mr. Cusatis indicated that he felt that PRAG was the most qualified and gave the best presentation.

Mr. White felt that PRAG had the lowest rates and was not based on a success fee. He felt their approach was much more sophisticated and felt comfortable using them as a consultant.

ADJOURNMENT

MOTION of Mr. Bukowski, seconded by Mr. Cusatis, the meeting adjourned at 7:46 P.M.

Respectfully Submitted,


John A. Granger
Township Secretary