

MUNICIPAL AUTHORITY MEETING MINUTES

DECEMBER 9, 1998

The meeting of the Municipal Authority of the Township of Upper St. Clair, duly advertised and posted in accordance with law, was called to order at 8:30 AM on Wednesday, December 9, 1998, in the Board of Commissioner's Meeting Room, Township Municipal Building, 1820 McLaughlin Run Road, Upper St. Clair, PA 15241. The Pledge of Allegiance was recited by all present.

PRESENT: C. James Parks Chairman
 Wallace P. Hough
 Charles R. Molzer
 Thomas I. Samson
 Douglas A. Watkins Secretary/Treasurer

 Charles P. McCullough Solicitor

PUBLIC: Approximately 16 people

Mr. Parks stated that action on a proposed Resolution regarding a bond bank program had been deferred until the matter could be further researched.

Mr. McCullough introduced his partner, Dan Perry, from Tucker Arensberg. Mr. Perry has acted as bond counsel in the Township's refunding bond issue. Mr. McCullough stated that he and Mr. Perry have reviewed material from Arthurs Lestrage and RRZ Public Markets. These materials included a preliminary official statement concerning a proposed Harrisburg and Louisiana Bond Bank Program.

Mr. McCullough added that he had made several changes to the Resolution in order to make certain that the Municipal Authority does not have any tax encounter, that the credit of the Authority is not behind these bonds, and that the Authority's role in this is contingent upon the close of the bonds. He stressed that the primary issue is that there must be a demand for the program.

Mr. Perry explained the bond bank program.

Mr. Watkins added that not only will the program generate funds for use by the Authority and the Township, it will also give the Township an excellent opportunity to handle its own project financing.

Mr. Gregg Zappala, RRZ Public Markets, reviewed the bond bank program.

Mr. Hough requested insurance, underwriting, sales and legal fees costs.

Mr. Parks stressed that the Municipal Authority has not been an active administrative group, but rather a caretaker in the way of developing funding mechanisms for sewers and municipal

building additions, etc. If the Authority moves in the direction of the bond bank, it will become an active board, and must be certain that there is a significant benefit to this program. Mr. Parks requested specific information that describes exactly what the Municipal Authority's benefit will be so that the Authority can determine if the benefit is significant enough for the Authority to change its approach as to how it manages itself in becoming an active agency.

Mr. Hough asked if this plan could possibly finance stadiums. Mr. McCullough replied that it would not.

Mr. Zappala explained why it is difficult to be specific when determining the Authority's profitability. He pointed out that it is difficult to determine the exact amount of benefit to Township because the exact size of the loan is not known. It is driven by the tax council, based on the demand study that hasn't been done yet. Mr. Zappala provided several loan scenarios to estimate a financial benefit to the Township.

Mr. McCullough described the new role of the Municipal Authority in the bond bank program. He added that he did not recall any Authority board that had been sued in similar programs in the last eighteen years.

Mr. Parks made the following recommendations in lieu of immediately adopting of the Resolution:

1. That the Township Manager develop a pro forma to give the Municipal Authority an idea of the financial benefit.
2. That the solicitor look into the possibility of recognizing that there have not been suits against authorities; and to give the Authority an opinion as to whether this Board should purchase D & O insurance on behalf of the Authority and this Board.
3. That the Washington County Authority be contacted to talk about the process – what have they been involved in; what have they encountered in the way of problems and so forth.
4. Finalize what is happening with the insurers to find out a little more information about the insurers of the composed issues that are now on the table that haven't been finalized yet.
5. Direct the Township Manager to work directly with the Three Rivers Wet Weather Demonstration Program to immediately initiate the demand survey so that time isn't lost in trying to quantify what those needs are.

Mr. Hough moved to adopt Mr. Parks' proposal. This was seconded by Mr. Molzer. Mr. Samson proposed an amendment to establish a date to have these items completed. After a brief discussion, a decision was made to include the name of John Schombert in place of the Three Rivers Wet Weather Demonstration Program in Item #5, and to set the date to meet again for December 16, 1998 at 7:30 AM.

Mr. Hough and Mr. Molzer accepted the modifications. The motion passed with a voice vote of 5-0.

CITIZENS' COMMENTS

Mr. Perry and Mr. Zappala answered a question from Mr. T. A. Ward, President of the Board of Commissioners, regarding fixed rate loans. Mr. Ward also inquired about the demand for this program.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

Following a motion for adjournment by Mr. Watkins, the meeting was adjourned at approximately 9:50 AM.

Candice C. Moore
Recording Secretary
December 14, 1998