

**Warrington Township Permanent Finance Committee  
Minutes for May 28, 2008 Meeting**

The Regular meeting of the Warrington Township Permanent Finance Committee was held at 7:10 p.m. on May 28, 2008 at the Township Building located at 852 Easton Road Warrington, PA 18976. The members present were as follows:

Michael J. Braun	Chairman (arrived at 7:10 p.m.)
Marianne Achenbach	Member
Russ Bragg	Member
Paul H. Plotnick	Supervisor Liaison
Timothy J. Tieperman	Township Manager
Carolyn Hanel	Director of Admin Services/Parks
Vivian Bell	Finance Director (arrived at 7:35 p.m.)

1. **Call to Order:** The meeting was called to order at 7:15 p.m.
2. **Approval of March 17, 2008 and April 21, 2008 Minutes:** Mr. Braun asked if anyone had any questions on the minutes. Ms. Achenbach asked Mr. Tieperman if he followed up with the Board of Supervisors to see what capital projects they wanted to include in the bond issue for 2009. Mr. Tieperman stated that he did follow up with the Board and handed out a memo dated May 23, 2008 entitled "2008 Bond Alternatives". He told the Committee that he went to the Board on May 27 and was able to get the Board to agree on the amount of the bond issue. Mr. Plotnick stated that the amount the Board agreed to was \$7.5 million and that the Board was focusing on the first ten projects listed in the memo. Ms. Achenbach stated that with the bond issue residents will be getting taxed for these projects, but what if the projects do not get done do the residents get taxed anyway. Mr. Braun stated that you would work it in and do what is known as a wrap-around so that the township does not hit the public all at once with the tax increase. Mr. Bragg asked is debt service interest only that is charged. Mr. Braun stated it is interest plus principle over the life of the bond which is 20 years. Ms Achenbach also pointed out that items we do not get to at the meeting should be pushed to the top for the following meeting so that it can be discussed. Mr. Tieperman stated that she was right and he would do that from now on. Ms. Achenbach also asked Mr. Tieperman about the departmental committee assignments and does the Committee contact the department head. Mr. Tieperman stated that he has not decided how he is going to do the departmental assignments yet and that he will get back to the Committee about it. With no other questions, Mr. Braun made a motion to approve the minutes of March 17 and April 21. Mr. Bragg seconded the motion. It passed by a vote of 3-0.

### 3. New Business:

- Review status of 2008 bond issue- Mr. Tieperman informed the Committee that the Board of Supervisors (BOS) at their last meeting gave the township permission to get the paperwork ready for a bond issue in the amount of \$7.5 million. He stated that the BOS will be authorizing the advertisement of the bond at their June 10 meeting and will hold a hearing about the bond on June 24 and either accept it or reject it. Mr. Braun stated that when writing the bond, the township should put in a contingency for change orders. This allows flexibility if there is extra money left to do another project or so forth. He also stated that the township should buy bond insurance because it will increase the township's bond rating and people will find it more attractive to buy. He stated that the township will also incur soft costs along with the insurance and to be aware of that as well. Mr. Bragg asked how the management of the bond proceeds works with respect to the bond. Mr. Braun stated that PLGIT does the investment for the township and creates a drawdown schedule for the township. Mr. Bragg asked if there were management fees involved in that. Mr. Braun stated yes. Mr. Braun also pointed out to Mr. Tieperman that he is going to have to justify to the public what projects the township is going to guarantee in the bond issue and that is why it is important to keep the wording broad so you have room to work with.
- Discuss capital funding strategy for minor equipment- Mr. Tieperman explained about the third capital lease that the BOS approved at their meeting of May 27 for the Police Department. It is a lease in the amount of 145,749.50 for three years that is going to finance five cars for the Police Department. The Committee asked what happens to the cars that they are replacing. Mr. Tieperman stated that they are given to the Code Department for use. Mr. Tieperman stated that the township does not have a good fleet management process and that is something he wants to develop. Mr. Braun asked how the township deals with the larger trucks in the Public Works Department. Ms. Bell answered that a couple of years ago the previous manager went out and bought new trucks to replace the old ones. Mr. Tieperman handed out a memo dated May 23, 2008 entitled "Capital Lease Program Recommendations" to the Committee. He stated that the BOS also agreed to enter into a document management agreement at their May 27 meeting. He stated that he is looking into a more flexible lease program to enter into so that the BOS can review each project separately versus all of them at once.
- Review funding process for the Street Road cell tower project- Mr. Tieperman stated that he did a financial analysis and payback period for the Street Road cell tower project. He said theoretically based on his calculations the BOS could payback the project's expenses within three years. He handed out a memo dated May 22, 2008 entitled "Street Tower Cellular Tower Bids" to the Committee. He went through the memo with the Committee. Mr. Braun asked what is the useful life of a tower. Mr. Tieperman stated that he did not know. Mr. Tieperman said that the BOS tabled this bid for another meeting because they were given the option to lease the land to T-mobile to build the cell tower and get rent from other

sub-lessees on the tower. He stated that T-mobile would incur all the costs to construct it and then after 15 years would pay rent of \$1,500 per month. Mr. Braun stated that the township needs to get more than \$1,500 a month from T-mobile because by then the tower will need repairs. Ms. Hanel expressed that it is the first offer T-mobile has made and that we will be negotiating it.

- Review Parks and Recreation capital budget requests as part of five year capital improvement plan- Ms. Hanel handed out a memo dated May 14, 2008 from CKS Engineers that lists the capital projects for 2009. She went through each item and explained the various projects that her department was looking at doing. She explained that some of the projects might not get done because they might not be needed, for example the Twin Oaks Park site improvements of a new building on the site. She explained that presently the camp is using a trailer for their offices and that she is going to see how this works out before building anything. She mentioned that the Swim Club projects have already been completed. Mr. Braun asked about the Barnes Park improvements and whether or not the WWAA contributes to the park. Ms. Hanel stated that the WWAA does contribute a lot of manpower and keeps the fields in great shape and will chip in as needed. Mr. Braun asked if they pay for any utilities of the fields. Ms Hanel stated that they did pay for the utilities.
- Review fire capital budget requests as part of five year capital plan- Mr. Tieperman handed out information about the fire company's apparatus replacement schedule and about their five year capital budget. He stated that the Fire Department was unable to make it and that he will get them to come to another meeting.
- Review possible expenditure controls in light of economic conditions- Mr. Tieperman expressed to the Committee that revenues on real estate transfer tax are very low this year. Mr. Tieperman wanted discuss how to handle this setback. Mr. Braun stated that you can cut back expenses by a certain percentage say for example 25% to help control the spending, but stressed to let the department heads figure out what accounts they want to cut back.

**4. Future Agenda Topics:** These items for not discussed.

**5. Adjournment:** Ms. Achenbach made a motion to adjourn the meeting at 9:00 p.m. This motion was seconded by Mr. Bragg. It passed by a vote of 3-0.

Respectfully Submitted,

Katie M. Braun  
Recording Secretary