

AGENDA FOR THE MEETING OF THE  
COMMITTEE ON ECONOMIC DEVELOPMENT & FINANCE  
TUESDAY, AUGUST 2, 2016

PLEDGE OF ALLEGIANCE

MOVE TO ACCEPT MINUTES OF JUNE 7, 2016 MEETING WITHOUT READING

DISCUSSION ITEMS

- Bank Qualified Bond Communication to Congress, HR 2229, Municipal Bond Support Act
- Refinance of 2011 and 2013 bonds – Notice to proceed
- Funding for Pennsylvania Avenue planning

ADJOURN

NEXT MEETING: August 2, 2016



A meeting of the Economic Development and Finance Committee (EDF) of Upper Dublin Township (UDT) was held on Tuesday, August 2, 2016, at 6:30 p.m. in the Township Building; Sharon Damsker presiding.

In attendance were Commissioners Sharon Damsker, Ronald Feldman, and Robert McGuckin. Also present was Paul Leonard, Township Manager filling in for Jonathan Bleemer who is on vacation.

MOTION TO ACCEPT THE MINUTES FROM THE JUNE 2016 MEETING WITHOUT READING:

Mr. Feldman motioned, with Mr. McGuckin seconding, to approve the Minutes of the EDF meeting for the month of June 2016 without reading.

VOTE ON MOTION                      ALL YES                      MOTION CARRIED

DISCUSSION ITEMS:

Bank Qualified Bond Communication to Congress, HR2229, Municipal Bond Support Act:  
Mr. Bleemer is requesting the Board of Commissioners' (BOC) support by signing a draft letter to the appropriate elected officials at the next Stated Meeting regarding the Congress of the United States passing the Municipal Bond Support Act (HR2229).

The EDF Committee recommended the following draft letter to the BOC.

**RE: HR 2229 — Municipal Bond Market Support Act**

I am writing on behalf of the Township of Upper Dublin to request that you cosponsor *HR 2229— the Municipal Bond Market Support Act*, legislation to permanently increase the cap for bank qualified-bonds from \$10 million to \$30 million.

In the Township of Upper Dublin since 2008, bank qualified bonds have contributed to the completion of several critical infrastructure projects, including \$10.1 million for the purchases of open space, \$9.1 million for storm water management and \$10.5 million for the construction of a new fire station and the renovation of another.

After the creation of bank-qualified bonds in 1986, bank-qualified issuers paid lower infrastructure financing costs than other municipal borrowers, historically, 25 to 40 basis points less. This cost savings for governments who issue \$10 million or less in bonds per calendar year is a function of (1) not having to pay higher yields to investors due to investor unfamiliarity with the issuer's jurisdiction and (2) not having to pay higher transaction costs associated with

traditional bond sales. A 25 —40 bps savings can be considerable for local governments like the Township of Upper Dublin. For example, a 25-40 bps cost savings on a 15-year, \$10 million bond at current interest rates ranges from \$232,000 to \$370,000. Any cost savings that can be gained for locally-financed capital improvement projects is critical.

As federal and state resources to fund an estimated infrastructure investment gap of \$3.6 trillion by 2020 have been reduced in recent years, local governments, continue to play a leading role in financing these projects through bond issuances. Permanently increasing the bank qualified debt limit to \$30 million will not only bring the program into the modern age but will also enable smaller governments to increase the amount of bank-qualified bonds they can issue and realize corresponding cost savings. For example, a 25 —40 bps cost savings on a 15-year, \$30 million bond at current interest rates ranges from \$696,000 to \$1.1 million. Such a cost savings will help governments like the Township of Upper Dublin address local infrastructure needs at reduced costs. For these reasons we hope you will be able to cosponsor HR 2229.

Thank you for your consideration of this request.

Refinance of 2011 and 2013 Bonds – Notice to Proceed:

The two bond issues captioned above qualify for refinancing. The potential savings to UDT will be significant - \$303,812.00. The endeavor will require a two month process. If the BOC approves the refinancing next week at the Stated Meeting, an ordinance can be drafted for passage in September.

The EDF agreed to recommend approval to the BOC.

Mr. Feldman asked about how the new street lights project will be paid for, and Mr. Leonard explained that funds will be taken from the Community Reinvestment Fund (CRF).

The State Treasury Department (STD) has a separate program which is a large bond pool for municipalities who do these types of energy savings projects based upon revenues garnered by the direct energy savings. Staff has asked the STD for a proposal for the full cost of the project, partial cost of the project, and a range of other recommendations they may have. The estimated total investment will be \$980,000.

Clearly, the cheapest approach would be borrowing the funds from the CRF.

Mr. Feldman was not in favor of removing the money from the CRF. He requested that Mr. Bleemer draw up comparisons of financing between the STD, CRF, and 5 and 10 year paybacks.

Funding for Pennsylvania Avenue Planning:

The Code Enforcement Department (CED) is over budget in its general fund revenues in a positive way. It is now up to the BOC what to do with the approximate \$20,000 overage.

The CED is looking toward purchasing new software. As of now, it is merely in the planning stage. Funding will be taken out of the general fund.

SEPTA has been contacted by Mr. Leonard as well as Whitemarsh Township which indicated that they are interested in being involved with the planning for Pennsylvania Avenue. While they are not considering a financial contribution at the present time, they would like to attend the meetings and consider a large grant application for joint municipal planning such as that obtained to do upgrades along the Schuylkill River in Conshohocken Borough and Whitemarsh Township.

Next week at the Stated Meeting, interested stakeholders, including those involved with Fort Washington Rescape, property owners, neighbors, business owners, SEPTA, the Holiday Inn, Friendlys, etc. will participate in planning by the BOC.

When Mr. Feldman expressed dismay that Whitemarsh Township is not willing to spend any money Mr. Leonard assured that they will consider doing so after planning discussions have taken place.

Possible Tax Raise:

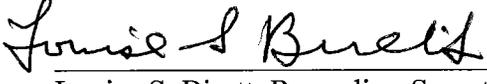
The Township Tax Collector has issued a memo to the BOC asking for an ordinance to increase the tax certification fee of the Tax Collector's Office from \$20.00 to \$35.00.



ADJOURNMENT:

There being no further business to conduct, the meeting was adjourned.

Respectfully submitted,

  
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Louise S. Birett, Recording Secretary

Attest:

  
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Sharon Damsker, Chairperson

