

LOWER PAXTON TOWNSHIP  
BOARD OF SUPERVISORS

Minutes of Board Meeting held Monday, November 2, 2009

Chairman William B. Hawk reconvened the workshop meeting of the Board of Supervisors of Lower Paxton Township at 8:16 p.m. on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hawk were: William C. Seeds, Sr., Gary A. Crissman, and David B. Blain.

Also in attendance were George Wolfe, Township Manager; Steven Stine, Township Solicitor; Ted Robertson and Watson Fisher, SWAN.

**BUSINESS**

Review of proposal from PLGIT to invest Build America Bond funds

Mr. Wolfe noted that PLGIT was formed for local governments to provide investment services, and PLGIT is large enough to collateralize the funds in accordance with state law. He noted that they only do municipal funding arrangements, and as a result, staff has always used them. He noted that they could also provide for any arbitrated rebate payments that may be necessary in the process. He noted that there may be investment agencies that could provide proposals for the same service.

Mr. Wolfe noted, on page eight of PLGIT's proposal, there are two types of structures suggested for the investment of the bond proceeds. He noted one option would be an actively managed investment portfolio, and the second option would be a structured portfolio with a fixed type of product. He noted that PLGIT provided the expected revenues to be earned for both, the risk involved for both, and the fact that they are both collateralized products and that PLGIT would serve as the arbitrage agent on behalf of the Township. He noted that he could go into greater detail but he did not know how detailed the Board members wanted to go. He explained that the Township has used PLGIT for all the other bonds issues, and they have provided excellent service. He noted that there may be other companies that could also provide the same service. He noted that the bond funds were deposited on Tuesday, and finding one entity to take

\$42 million was very difficult to do. He noted that the funds had to be collateralized, and they had to be liquid since the Authority did not know what it was doing with the money. He noted that PLGIT was able to take the funds, but the Authority's bank did not want anything to do with the funds. He noted that finding one entity that can act as the investment agent for that large a sum of funds may be difficult.

Mr. Hawk noted that there are agencies that have a wide range of accessibility to take the \$42 million and still do the Build American Bonds approach. Mr. Wolfe explained that Mike Bova suggested that he might be able to put together a proposal and finally, he told Mr. Weaver that he would not be able to come up with anything that would be competitive with PLGIT. Mr. Wolfe noted that the money is earning .25% interest.

Mr. Crissman questioned if there is anyone else that the Township could consider as an investment agent. Mr. Seeds agreed with Mr. Crissman that it would be good to look at other agencies. Mr. Hawk noted that PLGIT is a known quantity. He noted that Pennsylvania State Association of Township Supervisors (PSATS) does a tremendous amount of business with PLGIT. Mr. Blain noted that PLGIT can offer security of the money.

Mr. Seeds questioned if they had other money that belongs to the Township. Mr. Wolfe answered yes. Mr. Blain noted that he would be fine staying with PLGIT at this time. Mr. Crissman noted that he would like to interview one other client. Mr. Hawk answered that he would not be opposed to doing that. Mr. Wolfe noted that he would have to rely on the Board to come up with other possible investors. Mr. Blain noted that you could interview M&T Bank or another investment group, noting that it is a matter of who would provide the best performance.

Mr. Seeds questioned how long the current spending plan lasts. Mr. Wolfe answered that it should take five years, and must be spent within that time. He noted that the Authority just spent down \$4 million of those funds in awarding the bids at tonight's meeting.

Mr. Wolfe noted, if the Board opens up the option to invest \$42 million for a request for proposal (RFP), there would be enough proposals to fill the room and the Board would spend the rest of this year and next year interviewing potential investment advisors who can't invest in anything but treasuries of the US Government and its agencies in a secured fashion. Mr. Blain noted that the Township floated bonds because it intends to use the money, and not to get a 10% return on the money. He noted that he is fine staying with PLGIT since the intent is to drain it

down for capital projects, and as long as the money is secured in the bank, and is liquid, he is fine with PLGIT. Mr. Hawk agreed with Mr. Blain, however if Board members want to create a base line he would be willing to do so. Mr. Crissman noted that he would like to know who sits on PLGIT's Board, and depending on that information, he would support PLGIT. Mr. Wolfe researched that information on the Internet and Mr. Crissman stated that he would be fine supporting PLGIT.

Mr. Seeds stated that the Board should take a look at someone else, but he is fine with staying with PLGIT. Mr. Crissman agreed, but he does not want to interview six or eight firms. Mr. Wolfe noted, if the Board would point him in the right direction, he could set up interviews. Mr. Crissman answered that he could not name any other firms. Mr. Blain suggested that the Board should just let the funds in PLGIT.

#### Status report on Dauphin County Act 32 Earned Income Tax process

Mr. Hawk noted that the first official meeting for the Earned Income Tax (EIT) Committee would be held on Saturday, November 7<sup>th</sup>. He noted that there are 52 potential delegates casting a weighted vote on Saturday. He explained that Commissioner Haste would open the meeting, and his responsibilities have been watered down from what was proposed by a very ambitious Steering Committee member, Alan Loesch. He suggested that the agenda is a very ambitious one. He noted that the main purpose of the meeting is to review the voting rules, regulations and procedures, and the verification of the delegates or alternates. He noted that the Committee would like to elect a secretary as their first action. He noted that it is very important to have good minutes of the meetings, especially since the new Right-To-Know Law has been implemented.

He noted, on a weighted vote basis, the Committee would elect a chairman, and vice-chairman. He noted that these positions would be filled by one of the 52 delegates.

Mr. Blain questioned who the Board would like to see as chairman.

Mr. Hawk that the Steering Committee's authority is limited to doing some initial ground work, such as complying with the Right-to-Know law, insuring that a Conflict of Interest Policy is in affect, creating a policy list, determining considerations as to how the votes would be verified, how the votes would be weighted, and after the chairman and vice-chairman are elected,

setting the dates of future meetings, compiling mailing address, and opening a bank account. He noted that the EIT Committee would be a separate entity, not connected with Dauphin County or the Commonwealth of Pennsylvania. He noted that subcommittees would have to be established in addition to the Executive Board. He suggested that these items should be resolved during the initial meeting, but nothing beyond that, noting that it would be moving the process too fast. He noted that the Steering Committee should not dictate what the EIT Committee does.

Mr. Hawk questioned who the Board would like to see as the chairman. He suggested that Mr. Loesch would probably like to have that position. He noted that he has been very involved in the Steering Committee process, providing a spreadsheet showing the weighted vote.

Mr. Seeds questioned if the vote would be weighted. Mr. Hawk answered that the Act calls for it to be voted. Mr. Hawk noted that the verification of who is in attendance would be done by taking attendance. He noted that there should be a quorum for votes to be taken. Mr. Blain suggested that having Mr. Loesch as chairman does not carry any weight, noting that the vote would only amount to roughly 7%. He questioned if it would be better to have someone from the Central Dauphin consortium be the chairman. He suggested that someone else may manipulate and maneuver the meetings to make selections for a certain tax collector. Mr. Hawk noted that another alternative for chairperson could be Ms. Roberts, the delegate from the City of Harrisburg. Mr. Blain questioned if she had any opinions regarding the Capital Tax Collection Bureau (CTCB). He suggested that Mr. Hawk should talk to her. Mr. Hawk suggested that she is on the same page as the Board as they want someone that has the technological capability to do the job, can do the dollar-for-dollar reconciliation on a monthly basis, distributes the funds on a timely basis, and stays in touch.

Mr. Blain questioned if Ms. McConnell would be a good choice. Mr. Hawk answered that he did not think that she would accept the position and she is only the alternate, noting that Jay Wenger is the delegate for the Central Dauphin School District. Mr. Hawk noted that he did not know how that would go.

Mr. Hawk noted that he is not opposed to Mr. Loesch, but he feels that he wants to move too fast in the process.

Mr. Hawk suggested that the Committee may select a solicitor during Saturday's meeting. Mr. Crissman noted that it should not be occurring on Saturday. Mr. Blain suggested

that the choice of a solicitor may tell a lot about the direction of the Committee. He suggested if they choose Solicitor Guy Beneventano, then there may be enough votes to retain CTCB. Mr. Crissman noted that all the proposals were reviewed, and then another proposal was accepted after that. This may suggest that one law firm reviewed the other proposals and then submitted its proposal. Mr. Hawk noted that the proposals were submitted on the 12<sup>th</sup>, 13<sup>th</sup>, and 14<sup>th</sup>. He noted that only four solicitors submitted proposals, and of the four, only two have Act 32 experience, KPAG and Nauman Smith. He noted that last Thursday, the Steering Committee wanted to interview the solicitor candidates, and then present all of their qualifications to the full Committee on November 7<sup>th</sup>. He noted that he and Ms. McConnell did not agree with this, and they were overwhelming outvoted on this issue.

Mr. Blain questioned when Mr. Hawk stated that he was outvoted, was that by a show of hands or weight of vote, noting that Mr. Hawk and Ms. McConnell would have had the greater weighted vote. Mr. Hawk noted that the weighted vote was brought up and it will be an issue at the November 7<sup>th</sup> meeting. Mr. Crissman noted that the weighted vote must be a ground rule established before the secretary and chairperson are elected. He noted that this must be addressed before any votes are taken, because the chair has to be weighted, by law. Mr. Crissman noted that he does not like electing the solicitor on that day because many of the delegates have not been involved in the process. He noted after the November 7<sup>th</sup> meeting, all delegates would have been involved. Mr. Hawk noted that all the delegates and alternates should have received the proposals. Mr. Crissman stated that the proposals are not valid proposals.

Mr. Hawk noted that Mr. Memmi has been chairing the meetings, and he is very much in support of Guy Beneventano as the solicitor. He noted that Mr. Loesch is impressed with Mr. Beneventano as well. He noted that he and Ms. McConnell were not impressed with Mr. Beneventano. Mr. Crissman suggested that Ms. Roberts would not be either, as well as the delegates from Swatara Township. He noted that there are four groups that hold all the weight, Swatara Township, Lower Paxton Township, Central Dauphin School District, and the City of Harrisburg. Mr. Blain noted that those votes would account for 55% of the weighted votes. Mr. Hawk noted that the City of Harrisburg and their School District carry 14%. Mr. Blain noted that Lower Paxton Township, Swatara Township and the Central Dauphin School District carry 39%.

Mr. Hawk suggested that Susquehanna Township is leaning toward Berkheimer. He noted if Berkheimer received the support of Susquehanna Township and their School District, it would amount to a good percent. Mr. Blain noted that he heard that Susquehanna Township School District has already interviewed Berkheimer. He suggested, if the School District would go that way, the Township would follow. Mr. Hawk noted that the Central Dauphin School District has 28% of the vote.

Mr. Crissman suggested that there are two issues, who would be the chairperson, and who would be selected to be the solicitor. He suggested, after all the preliminary work is completed during the November 7<sup>th</sup> meeting, then the Committee should discuss who they would accept RFPs for solicitor services. He noted that they should be given a deadline to submit their proposals, and they should all be submitted on the same date and same place. Mr. Hawk noted that he did not think the Committee needs much legal advice at the first meeting. Mr. Crissman noted that the law is very clear as to what needs to take place.

Mr. Hawk noted that the person who wanted to move forward was Michelle Shuler from Lower Dauphin School District. He noted that she made the motion during the Steering Committee meeting.

Mr. Crissman suggested that Ms. McConnell would be good; however, she is only the alternate. He noted that she would be good since she brings the business sense, the knowledge of EIT to the table. Mr. Blain questioned who the delegate is for Swatara Township. Mr. Wolfe noted that Mr. Cornel is the alternate, and a board member is the delegate.

Mr. Blain noted that he likes the known quantity of Mr. Wenger from the Central Dauphin School Board. He suggested that they should have the chairperson role as they hold over 25% of the total vote. Mr. Crissman noted that they have Ms. McConnell sitting as the alternate. Mr. Blain suggested that the Board should speak to Mr. Wenger regarding his being the chairperson of the Committee. Mr. Blain noted that he presents himself well, and would be able to run the meetings. Mr. Crissman suggested that Mr. Hawk should speak with Mr. Wenger and the delegate from Swatara Township as well.

Mr. Blain noted that the Township could also speak with Mr. Loesch and explained that it would throw its support behind him as well, and it may win some votes with him. He noted that

CTCB is supposed to have merged or bought out Upper Dauphin Tax Office, he suggested that there were political reasons for making this happen.

Mr. Hawk questioned how much influence the solicitor would have in the voting process. Mr. Crissman questioned what the rush to select a solicitor was. Mr. Stine noted that some people adopt a strong solicitor form of government, and it is unknown what the background is for the delegates to the Committee and if they come from that type of scenario. Mr. Hawk noted that he heard the most impassioned speech from Mr. Memmi in support of Mr. Beneventano. Mr. Hawk noted that before the Committee selects a solicitor, there is a need for the Conflict of Interest policy to be in place. He noted, if all the delegates must meet that standard, then the solicitor should also. Mr. Crissman noted that the answer should be yes. Mr. Hawk noted that that was not the answer he got from the Steering Committee, and Mr. Loesch was the leader in supporting that position.

Mr. Stine explained that the solicitor has his own conflict of interest policy; it is called the Rules of Professional Responsibility. He noted that there is already one in place for the solicitor. Mr. Blain questioned what the rules are for attorneys because his law firm represents one of the tax collection bureaus that would be bidding for services. Mr. Stine noted that it would be a conflict of interest. Mr. Blain noted that he should not be a part of the process. Mr. Stine noted that he told Mr. Wolfe that it would be a conflict for any municipal solicitor from any member of the Committee to be a solicitor of that body. Mr. Stine noted that he is conflicted out because he represents one of the people that is vying for the job. Mr. Blain noted that he did not see how Mr. Beneventano could even apply for the job. Mr. Hawk noted that Mr. Beneventano would explain that he has nothing to do with CTCB. Mr. Stine noted that it might be, however, if the firm is conflicted, then everyone is conflicted. Mr. Blain noted that it would be no different in public accounting. Mr. Crissman noted Mr. Beneventano's claim is hogwash.

Mr. Blain noted that he hopes that Mr. Hawk takes the position that he would fight every battle that needs to be fought, and this is a battle that should be fought. Mr. Crissman noted that the Steering Committee, from its inception, has had a group that was working very cohesively to move it forward so when it gets to the first meeting, they have all their ducks lined up and they want to get everything approved and move forward. He noted that he does not like things being rammed down his throat and that is what they are trying to do.

Mr. Hawk suggested that the right questions have been raised. Mr. Crissman noted that Mr. Hawk needs to challenge the solicitor vote if it is raised during the meeting.

Mr. Hawk noted that he would call Ms. Martin and Mr. Wenger. He noted that the other people involved have no idea of what is required of them. Mr. Crissman noted that they are the people with the small percentages in the weighted vote. He noted that the people who have the larger percentages are trying to pull their resources together to work for a power play and it disturbs him to no end. He noted that it is not fair to all concerned.

Mr. Blain questioned if a secretary would be picked first, and then a chairman would be the next step. Mr. Hawk noted that he has no problem with selecting a secretary. Mr. Blain noted that he has a concern over who would lead the Committee. Mr. Crissman noted that he likes the idea that Mr. Wenger would lead the group. Mr. Hawk noted that it is an unknown, at this point, who the delegates and alternates are. Mr. Crissman noted that the first order of business should be identifying the official delegate from each entity. He noted that, up to a few weeks ago, Mr. Kroboth was representing the City of Harrisburg even though he was not the official delegate. He noted that there needs to be a verification of voters. He noted that when Mr. Hawk requested a list of the delegates, he was told that the list was in flux. Mr. Hawk noted that a test for authenticity would be for each delegate to have a copy of the resolution that appoints the delegate to the Committee. Mr. Wolfe noted that he would provide that information to Mr. Hawk.

Mr. Crissman questioned if this was part of the agenda. Mr. Hawk answered that he had not received an agenda yet. He noted that Mr. Memmi is putting an agenda together. Mr. Crissman questioned if it would be available before Saturday's meeting. Mr. Hawk answered that he hoped so. Mr. Blain noted that the chairperson cannot be someone associated with CTCB. Mr. Seeds noted that Mr. Memmi would not be a supervisor after the end of the year. Mr. Hawk noted that you do not have to be a supervisor to be a delegate.

Mr. Crissman noted that he is concerned that there is no official agenda for the November 7<sup>th</sup> meeting, and that the list of official delegates is in flux. He noted before anything occurs, there needs to be a complete role taken of who is present, what they are representing, and proof that they are the official delegates or alternates. Mr. Seeds noted that it is important that they

know the percentage weight for each vote. Mr. Crissman noted that that has already been determined.

Mr. Crissman noted, with Mr. Haste chairing the meeting, his role that morning should be to call the meeting to order, take official role, elect a chair based upon a weighted vote, and then he should remove himself from the process. Mr. Hawk noted that that is the plan. Mr. Hawk noted that Mr. Saylor and Mr. Haste have stated that the Steering Committee is a recommending body. He noted that there would be a lot of people attending the Saturday meeting who won't have any idea of what is going on and would be very willing to go along to get along. Mr. Crissman suggested that someone should explain in simple terms, the Act, what it is required to do and who has the authority. Mr. Hawk noted that there will be a lot of politics involved in this Committee.

Mr. Blain noted that it would be good to have someone in the chairperson spot that is neutral to the process. Mr. Hawk noted that he would do the best he could to move the Committee in the right direction. Mr. Hawk noted that several names have been suggested as the chairperson. Mr. Blain noted that some municipalities may just follow along with those that have the major votes.

### **Adjournment**

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Crissman seconded the motion, and the meeting adjourned at 9:10 p.m.

Respectfully submitted,

Maureen Heberle  
Recording Secretary

Approved by,

Gary A. Crissman  
Township Secretary