

**Towamencin Township
Board of Supervisors
Special Meeting – Potential Sale or Lease of the Sanitary Sewer System
April 6, 2022
7 PM**

Present:

H. Charles Wilson III, Chairman
Richard Marino, Vice Chairman
Kristin Warner, Treasurer
Laura Smith, Secretary
Joyce F. Snyder, Asst. Treasurer/Asst. Secretary

Staff:

Donald D. Delamater, Township Manager
Jack Dooley, Esq., Township Solicitor
William Dingman, Sanitary Sewer Engineer
Clayton Reed, IT Director
Timothy Troxel, Chief of Police
Colleen Ehrle, Manager of Administration, Communication & Human Resources

Chairman Wilson called the meeting to order at 7:01 pm and led the assemblage in the Pledge of Allegiance.

Opening Comments

Chairman Wilson noted the purpose of the meeting was to present and review the bid results associated with the potential purchase or lease of the Township's sanitary sewer system, along with the related analysis and projections. The format of the meeting was reviewed, including public comments limits of three minutes to allow everyone interested the opportunity to pose comments and questions. Chairman Wilson introduced PFM representative Scott Shearer.

Presentation of Bid Results and Related Analyses & Projections

Scott Shearer provided an overview of the exploration process, referencing the team, Township goals, use of potential sale proceeds and the subsequent impact to Township's balance sheet and the regulation of rates.

Mr. Shearer reviewed the request for bid highlights, summarizing the bids. A rate comparison between each bidder was presented, along with the Township's anticipated rate trends if the system is maintained. A review of the types of monetization was provided. Mr. Shearer closed the presentation with an anticipated timeline should the Township move forward with a sale or lease.

Board of Supervisors Comments/Questions

Supervisor Snyder asked for more information regarding the referenced Township's unfunded pension and OPEB liabilities. Mr. Shearer reviewed the details of the projection.

Supervisor Snyder asked, "why would our Township sell our house and rent it back at increased cost?" Mr. Shearer responded that based on the data, a sale would be beneficial to the Township, emphasizing the 60-80 million dollars in potential reserves in place for perpetuity.

Public Comments/Questions

The following residents/ratepayers provided public comments, full commentary can be reviewed by accessing the meeting recording available on the Township's website or the following URL link <https://vimeo.com/696975985>.

Kofi Osei, 105 Cambridge Way, expressed his opposition to the sale, requesting Supervisors to consider the public opinion being voiced.

Tina Gallagher, 117 Misty Meadow Lane, expressed PFM is not an independent analyst and questioned the large payment to PFM if the system sold.

Nancy Blackburn, 190 Oberlin Terrace, expressed concern for senior citizens' capability to continue to reside in the Township if rates increase significantly.

Bob Gillmer, 980 Woodlawn Drive, thanked the Board for holding the meeting, then posed several questions based on the presentation materials – taxes, valuation method, etc.

Cathleen Crane Goettner, 167 Oberlin Terrace, pled that the Board seriously consider other options over a sale.

Judy Phipps, 1231 Archer Lane, objected to a sale. She noted the Board's responsibility to residents, expressing concerns of rate hikes to residents, acknowledging those on fixed incomes.

Rich Costlow, 2080 Parkview Drive, explained PFM financial terms of contract, questioned the reserve projections that only accounted for highest bidder. He felt it is short-sighted to sell now.

Unidentified – questioned the profits made by the bidders and expressed concerns for residents.

Unidentified – asked why was the Franconia bid so much lower than others? Suggested an evaluation of actual 10-year rate progression of other municipalities who have sold their systems.

Susan Jacobs, 203 Bunker Hill Road, expressed the presentation was not fair and balanced. She opposed the loss of control of the asset, and questioned the PUC's authority.

Jim Portwood, 2132 Pheasant Hill Road, analyzed the borrowing interest of a selected bidder, and asked for the total revenue of the current system, requesting a real financial model.

Ron Hugick, 452 Printer Way, questioned the need for a sale and the analysis presented, and requested a referendum when voting.

Dan McLaughlin, 2010 Eagle Way, expressed environmental concerns if a sale transpired.

Stuart Platcow, 106 Ridgewood Way, questioned PUC rate allowances and the revenue generated by the current system.

Joseph Fromm, 1127 Washington Ave, noted its cheaper to operate the system by the Township.

Barbara Martin, 903 Buckboard Way, questioned the sewer rate hike and if the supervisors are listening to the community.

Evan Dimmerling, 1660 Wagon Wheel, questioned the independent counsel and sewer engineer's scope of work, and asked what their recommendations are.

Paul Bisio, 456 Printer Way, questioned the presentation's analyzed projections.

Carol Jerrahian, 301 Freedom Circle, raised concerns about the Board's short-term consideration of a sale.

James Collins, 596 Weikel Road, expressed the presentation as a sale pitch, and stressed the power of ownership.

David Martin, 903 Buckboard Way, asked if Chairman Wilson supported a sale, and noted the presentation was one-sided toward selling the system.

Mark Gerlach, 102 Candlewood Way, supported keeping the system and exploring other funding alternatives.

Bruce Bailey, 506 Monroe Drive, recommended the Township keep the system.

Martin Cohen, 18 Westhampton Way, questioned the lack of history and had concerns for such transactions.

Not identified – found the projects funded by a sale as poorly timed requests that require no immediate funding.

Tom Peters, 1580 Heebner Way, thanked the Board for holding the meeting. From a financial perspective, such results can be achieved through a bond offering; it's important to keep control.

Tim Gallagher, of 117 Misty Meadow Lane, asked how PFM is paid if there is no sale.

Tom McClennen, 1044 Pross Road, questioned the sincerity of the noted equitable compensation for current employees, and requested the Board decline a sale.

John Taylor, 486 Amherst Court, asked if presentation materials will be posted on the website for review and questioned the Township's debt considerations.

Brian Bushman, 1341 Village Way, asked if the reduction in the real estate bill is guaranteed or an assumption, questioned projections.

Lorrie Lyons, 1110 Boyd Ave, referenced Inglewood residents having to replace their individual laterals years ago, and expressed her opposition to the sewer sale.

Paula Dreher, 317 Central Drive, asked what guarantees there would be for protecting the projected reserve amounts, adding her concern of the financial hardships placed on seniors by a sale.

George Knab, 867 Stonybrook Lane, questioned the available sewer capacity created by Upper Gwynedd Township's redirect of their sewer flows and if there's room for growth. He questioned Franconia's lowest rate forecast compared with the other entities, including Towamencin.

Resident Joseph Silverman, 1325 Reiff Road, questioned if all residents and businesses were notified of the town halls. He then referenced a PSATS magazine article with advice to new supervisors...“to do what’s right for your entire community.”

Chairman Wilson noted seven recent sale opposition petition submissions were received from:

Virginia Collins, 241 Cherry Lane; Denise Fantry, 204 Norwyck Way; Tara Keane, 107 Durham Court; Vanessa Gaynor, 707 Woodlawn Drive; Rosanne McCormick, 319 Christopher Court; Joseph J Toner III, 1904 Stratton Drive; Lorena Fields, 104 Concord Drive.

Emailed Public Comments

Chairman Wilson read the emailed public comments from the following, who expressed concern and/or opposition to a sale of the sewer system:

- Christopher Woolcock – 110 Runnymede Court
- Kristen Panaski - 113 Carlton Court
- Rosanne McCormick 319 Christopher Court
- Jack and Martha Sisko - 1104 Amber Lane
- Kris Clemmer - 335 Orvilla Road
- Leah Nacarella - 110 Richmond Court
- Joe and Tina Rumsey - 115 Westminster Court
- Maureen Parry- 13 Victoria Court
- Ken and Virginia Collin - 241 Cherry Lane
- Rory Kelley – 325 Central Drive
- Angela Riley - 3 Camelot Way

Charles J. Testa, 635 Drinnon Way, expressed an openness and interest into the benefits that sale proceeds would offer residents.

Closing Comments

Chairman Wilson referenced the possibility of a recommendation to either move forward with a sale/lease or not at the next Town Hall. He added that if there was a recommended bidder, they will be present at the meeting to answer questions from the Board and public. A final decision will be made on the status of the sewer system at one of the Board’s regularly scheduled May meetings. Chairman Wilson thanked the public for coming out for such a consequential decision for the Township.

The meeting adjourned at 10:02 pm.

Respectfully submitted,



Colleen Ehrle

Manager of Administration, Communication & Human Resources