

SALFORD TOWNSHIP
Finance Committee
Meeting Summary
7/13/17

1. Attendance: TClemens, CEckhardt, RKearn, JStyer, Karen Landis Guest: Stephen Imms, Township Solicitor
2. Summary of Last Meeting: Approved.
3. June Financial Report: Reviewed the mid-year report and noted the positive financial position as of 6/30/17. The issue of income from excess cash was raised, including the types of investment account permitted by the 2nd class code, including money market accounts. Steve will advise. Noted several budget line items, related to highway maintenance, equipment rentals, and tree maintenance that were over spent. Also noted the higher than budgeted engineering costs. Karen reported that the grant for Parks and Recreation was in the process. Noted the current better than expected position for the Sewer Fund. Also noted the repayment from the Sewer Capital Fund to the General Fund. Karen reported that the Sewer Funds payment delinquencies were minimal and that the follow-up letter, drafted by the Solicitor, was very effective.
4. Financial Audit FY16: Karen distributed the final and approved reports. The consensus was that the performance of the audit firm was excellent.
5. Proposed SBC American Tower cell tower lease renewal: There was a lengthy discussion regarding all aspects of the lease. The current lease runs through 2035 with the option of 6 additional 5 year terms that would extend through 2065, would continue the same 5% per year increase, and offered a \$25,000 incentive fee to be paid upon approval of the lease amendment.

Based on the discussion, the key objectives were A) maintain the 5% annual increase, B) secure guaranteed funding for at least part of the new term, and protect ST from loss of income from the cell tower.

The consultant's (SITA) evaluation, dated 9/10/15, was reviewed carefully and the perspective was noted that the current site had a high value to the wireless communications companies, due in part to the proximity to the NE Extension of the PATPK, and the relatively high altitude.

The Solicitor noted the following items that needed to be changed in the lease amendment:

- A. Para 6, Limited Right of First Refusal, was not permitted by the PA second class code and should be deleted.
- B. Paragraph 3, Rent and Escalation needed to state the rate of 5%/year.
- C. Paragraph 8 should be deleted since it was impossible to enforce due to the RTK laws.
- D. Paragraph 7, Landlord Statements was not clear and needed clarification.
- E. Resolution/Consent Memorandum needed revision.

In addition to the above items, the Committee proposed the following response:

- A. The lease term would be 30 years, with the option to renew an additional 3 terms of 10 years each.
- B. ATC to pay 50% to ST of the annual fees generated by subleasing any of the tower space.

C. Request extension of the deadline to 9/30/17.

D. Next Steps:

- i. Jim to update the Lyle Company regarding the progress and request an extension of the deadline to 9/30/17.
- ii. The Solicitor to prepare a response to the items noted above.
- iii. Jim to update the BOS at the next meeting.
- iv. Jim to convey the above items to the Lyle Co for their consideration.

6. CCI - STC prepayment proposal: There was concern raised that the prepayment proposal had not been acted on by the BOS and it was agreed that Jim would update the BOS and request their support to pursue this proposal. The consultant's report recommended acceptance of this proposal. The consensus was that it would reduce the Township exposure to loss of revenue due to technological changes that could eliminate the need for the tower.
7. Sewer Fund: Karen will determine the amount of interest owed to the General Fund and report at the next meeting.
8. Next Meeting. August 8, 7:30 pm