

Northampton County General Purpose Authority Meeting Minutes

8:00 a.m. on September 6, 2016

The monthly meeting of the Northampton County General Purpose Authority was held on Tuesday, September 6, 2016, at 8:00 a.m. The meeting was held in Northampton County Courthouse, 3rd Floor, County Council Chambers, Room #3116, 669 Washington Street, Easton, PA.

ITEM #1 –CALL TO ORDER-ATTENDANCE

Mr. Langen called the meeting to order.

Attendance:

Shawn Langen, Shawn Donahue, Michael Dowd, Margaret Ferraro, Helene Whitaker

Solicitor:

John F. Lushis, Jr., Esq.

Staff:

Mark Hartney, DCED Administrator
Tim Herrlinger, Acting Director

David Hughes, DCED Finance Specialist
Denise Drake, DCED Acting Executive Secretary

Absent:

Mark Schiavone, Neal Koplín.

ITEM #2- APPROVAL OF MINUTES FROM June 7, 2016

The minutes were unanimously approved on a motion by Mr. Dowd, seconded by Mr. Langen.

ITEM #3 – TREASURER’S REPORT

3.1 Mr. Hughes reviewed August 31, 2016 Treasurer’s Report and the invoices that were presented for payment.

MOTION: To approve the Treasurer’s Report as presented.

Mr. Dowd made the motion. It was seconded by Ms. Whitaker. The motion carried.

3.2 Invoices – June, 2016

Mr. Langen made the motion to approve as presented. Mr. Dowd seconded the motion. The motion carried.

ITEM #4 – PUBLIC COMMENT

None.

ITEM #5 – OLD BUSINESS**5.1 GPA P3 Project Update**

Executive Summary

Mr. Lushis provided a brief background update from the Authority prospective. In early April, the Authority in conjunction with the County, issued an RFP for a developer to serve as a private contractor to replace, rehabilitate, repair and paint 33 bridges. The Authority received four proposals in response.

The technical proposals were reviewed by a Technical Review Committee, which included representatives of the NCGPA, the County and PennDOT. The financial proposals were reviewed by a Financial Review Committee, which included representatives of the NCGPA, the County and outside representatives from Public Finance Management and Buchanan Ingersoll & Rooney. As a result of the review process, the committees recommended to the final selection committee that Kriger be selected, as the committees' first choice, to serve as the developer, with Northampton County Bridge Partners as the committees' second choice.

In June, the Authority issued a RFP in conjunction with the County for a third party engineer to provide contract administration and oversight of the developer. The third party engineer will provide the NCGPA and the County additional capacity and expertise in overseeing a project of this magnitude. A committee was formed to review the proposals received and recommended that Alfred Benesch & Company be selected to serve as the third party engineer.

The final selection committee decided to recommend to this Board and a similar recommendation will be made to County Council at its meeting on September 15 that Kriger be chosen as the developer and Alfred Benesch be chosen as third party engineer. The goal is to try to close the process by September 30.

Mr. Brown advised that the final selection committee discussed the recommendations on Friday, September 2, 2016, and unanimously selected Kriger Construction and Alfred Benesch and Company as the third party engineer.

Mr. Brown stated that this project was the culmination of two years of work. It took one year for the concept to be put together and presented to PennDOT for approval of the concept by PennDOT's public private partnership board. Northampton County is the first county to embrace this type of financing. When the idea was presented, the County was looking for the project to be sized in such a way that local companies could bid on a project like this. Additionally, the County was looking for companies to bring innovation in the areas of finance, design and construction. Mr. Brown indicated that the County was very clear that neither the County nor the NCGPA would be self-financing this project.

The RFP process was very comprehensive and thorough and involved public and private outside professionals who looked at this project from various viewpoints. A significant amount of due diligence was performed in an effort to protect the NCGPA, the County and the County's taxpayers.

Mr. Lushis pointed out that the structure of this project will allow the County to pay for the bridge replacement and rehabilitation without the need to issue bonds. Mr. Brown pointed out that the County's finance department has been involved to ensure that the financing of this project is manageable for the County. Mr. Lushis also stated and explained that the selection was done in close coordination with PennDOT and outside professionals.

Mr. Langen stated he felt the process achieved all the goals that were set out with and that the company chosen will provide the best price and value for the County.

Mr. Brown explained that he feels this project model leverages the County's resources and expands the County's partnership with the NCGPA, and will assist the County in properly maintaining its infrastructure in a proactive manner, thereby taking care of a public safety issue.

Mr. Shawn Donohue reiterated that the committees, with the assistance of outside professionals, reviewed, made assessments and made a thorough recommendation to the NCGPA that is in the best interest of the County and the NCGPA.

MOTION: Mr. Langen made a motion to approve the resolution that approves the selection of Kriger Construction, Inc. as the Developer and Alfred Benesch & Company as the third party engineer for the P3 Bridge seconded by Mr. Dowd. The motion carried unanimously

5.2 RFP for Technical Assistance

Mr. Hartney stated that the process is temporarily on hold because of staff shortages.

5.3 NCHEA & NCHA Update

Mr. Hartney reported that the next steps are to process the boards' memberships and make the proper appointments. The target time should be this month or next month. Also, hold an annual meeting and decide the fate of those organizations.

ITEM #6 – NEW BUSINESS

6.1 Fee Schedule for \$115 Million Lehigh University Bond

Mr. Hartney and Mr. Langen discussed the financing percentage fee as indicated in the meeting packet. The project is a refunding and the recommendation is to reduce the Authority's fee from .2 of 1% (20 basis points) to .1 of 1% (10 basis points). A motion was made by Mr. Dowd and seconded by Mr. Langen to reduce the Authority's fee to .1 of 1% (10 basis points). The motion carried unanimously.

6.2 Lehigh University Inducement Resolution

Mr. David Hammer, Associate Treasurer, Lehigh University presented the bond financing project which includes the refunding of two previous bond issuances; 1) Series 2007 Economy partial refunding in the amount of \$30 million and 2) Series 2009 Advance refunding in the amount of \$66. The total amount the refunding will not exceed 115 million. The TEFRA hearing is scheduled for next Monday, September 12. The reason for the standard refunding is to take advantage of the lower interest rates and economic savings for Lehigh University.

MOTION: Mr. Langen made a motion to adopt the inducement resolution for the 2016 Lehigh University Bond transaction for up to \$115 million seconded by Ms. Whitaker. The motion carried unanimously.

6.3 P3 Bridge Renewal Project – Adoption of Professional Services Resolution for P3 Project

6.3.1 Adoption of Buchannan Ingersoll and Rooney engagement letter for P3 Project

6.3.2 Adoption of Public Financial Management engagement letter for P3 Project

MOTION: Mr. Langen made a motion to approve the resolution subject to a date change seconded by Mr. Dowd. The motion passed unanimously.

6.4 CIPP RLF Loan to Fiddleback Brewing Company

Mr. Hughes gave an update on the project. The loan committee received a \$50,000 request from the Company. There is a lack of collateral and said it is not a total bankable loan. Dave will get the global cash flow information for the authority.

Mr. Donahue is talking with people in the industry and is interested in the global cash flow with the ability to repay this loan.

MOTION: Mr. Dowd made the motion to approve the \$50K loan structured as described in the proposal contingent upon final review of the global cash flow analysis and Loan Committee approval. Mr. Langen seconded. The motion passed unanimously.

ITEM #7 – STAFF REPORT

7.1 Project Updates: - See old business

ITEM #8 – NEXT MEETING – TUESDAY October 4, 2016


ITEM #9 – ADJOURNMENT

Motion was made by Mr. Dowd. It was seconded by Mr. Langen. Motion passed unanimously.

ATTEST:



Mark Hartney, Administrator



Shawn Langen, Chairperson