

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Workshop Meeting held January 12, 2010

An administrative workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:05 p.m. by Chairman William B. Hawk 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., William L. Hornung, Gary A. Crissman, and David B. Blain.

Also in attendance were George Wolfe, Township Manager; Steve Stine, Township Solicitor; Denise Rolfe, MidAtlantic Sales Manager, TelVue Corporation; Nick J. Sciallo, Pennsylvania & Connecticut State Director, Go21; Evan Wimer, Innermedia; Jeff Wendle, CET, Engineering; Corey Wolff, Bryce Hoch, and Tim Wolff, Energy Systems and Installation; and Watson Fisher and Ted Robertson, SWAN.

Pledge of Allegiance

Mr. Seeds led in the recitation of the Pledge of Allegiance.

Public Comment

No public comment was provided.

Presentation by TelVue regarding PEG TV programming services

Mr. Wolfe explained that the Township will have its own dedicated Public, Education, and Government (PEG) TV channel on Verizon's Fios system in the next few months. In the past, the Township has been broadcasting the Supervisor's Board meetings on Channel 20 through the Comcast network. He noted that through Verizon, the Township will have the ability to broadcast its own information 24/7 on its own channel. He explained that there are companies that can provide a service to fill the unused channel time. He noted that TelVue is one such company and Ms. Denise Rolfe is in attendance to make a presentation.

Ms. Rolfe explained that she is the Mid-Atlantic sales representative for the TelVue Corporation. She explained that her background is in broadcasting, and she has spent most of her 25 years in television in the analog world, however, in the past ten years, the industry has been

migrating to a digital system. She proceeded to provide a short video presentation to the Board members to explain the TelVue server system and the WEBUS Bulletin Board system.

Ms. Rolfe noted that the overview explains what TelVue can do. She explained that TelVue has been in the cable business for 20 years, and in 2007, TelVue acquired the Princeton Server Group which is a hardware and software group founded at Princeton University. She noted, with the merger of the two organizations, they found that they could take the hardware, software, workflow and services to the government, education, and public to provide a link for a one-stop solution to get those cable channels on the air.

Ms. Rolfe noted that they have over 600 customers, with 65 in Pennsylvania, and work with many student run television stations, educational video on demand, and classroom captures. She noted that they film 16 different classes, sending them to a central depository to be view at a later time. She noted that they also work with satellite and digital religious broadcasters, noting that Comcast is one of their largest customers. She noted that they use their servers to redistribute the public access channels from a central facility in Philadelphia, Baltimore, Pittsburgh, and Denver. She noted that she also works with the Department of State, Homeland Security, and the Department of Transportation.

Ms. Rolfe explained that WEBUS is the bulletin board service and it was designed specifically for municipalities as a one-step solution to create a very dynamic cable channel. She noted that it is very graphic, uses a tower computer, and through multiple user input you can create messages from remote locations. She noted that information could be supplied by civic organizations, the police department, the school superintendent, parks and recreation and other organizations and departments. She explained that it is based on a multiple user hierarchy, and protected so that it can be accessed remotely.

Ms. Rolfe noted that TelVue would provide the templates, and the Township would provide the data, noting that all messages would have a start and stop date. She noted that the moderator of the system would receive an email message seeking his approval to publish the message to the bulletin board. She noted that Web Links could be linked to the Township's existing website. She noted that what is playing on the cable channel could automatically refresh the website at the same time. She noted that the City of Philadelphia has been using TelVue's WEBUS and PEG TV service since they put their government channels on the air.

Ms. Rolfe noted that the Township would be provided the tools and it could create its templates anyway it wants to.

Ms. Rolfe noted that PEG TV is the live streaming and video on demand service that was developed to help the municipal and education customers to get beyond their cable footprint. She noted that not all citizens have cable television and this would provide the same opportunity to present the meeting content and any other message or programming on the web. She noted that there are also many satellite customers in the area that would not be able to view the Township meetings. She noted that this would allow the Township to reach 100% of its constituency on the web. She noted that the service could be embedded in the existing website, opening the PEG.TV website on the Township's webpage and the customer would not know that they were being taken somewhere else. She noted that the system uses Flash Player, a universal download free player. She noted that the agenda would link specific parts of the meeting and a person could access the link and view a particular segment without watching the entire meeting.

Ms. Rolfe noted that Banner Ad Management is a tool that was requested by the customers. She noted that some channels use the banners to cross-promote items or fundraisers, or to create sponsorships to help subsidize the costs.

Mr. Wolfe requested Ms. Rolfe to show a live active sample. Mr. Crissman questioned Ms. Rolfe if her company is responsible for the PEG TV channel in Brigantine, New Jersey. Ms. Rolfe answered yes. Mr. Seeds noted that Ocean City, Maryland does advertising on its own channel. Ms. Rolfe noted that there is a fine line between advertising and sponsorships. She noted, for the Internet side, the Township could do advertising; however, they could not on the cable channel. Mr. Seeds noted that it would be very nice to have something like this, especially to promote the Friendship Center.

Mr. Crissman questioned Ms. Rolfe if TelVue had more municipal or educational customers. Ms. Rolfe noted that the rate is 70% for municipalities and 30% for education. Mr. Crissman questioned if TelVue had a large market in New Jersey. Ms. Rolfe noted that she has a larger percentage of the higher education market in New Jersey than municipalities. She noted that she has many customers at the Jersey Shore, especially, since the home base is Mt. Laurel, New Jersey.

Ms. Rolfe noted that Queen Anne County has had a channel for over a year. She noted that they probably have over 400 hours of meetings stored on their channel. She noted that

different meetings could be watched by different residents at the same time. She noted that it is very easy to add a file and schedule that file with a start and stop time.

Mr. Hawk noted that the Township's personal television time would be limited in the beginning until it gets up and running. He questioned if TelVue would fill the gaps for the Township. Ms. Rolfe noted that it is a useful system for on-demand television since you would not have to be in front of the television at a certain time, and citizens could watch it when it is convenient for them. He noted that the citizens would have access to the channel 24/7. Mr. Hawk questioned what the viewing public would see when a live meeting is not being shown. Mr. Wolfe noted that the server would broadcast by television and internet. He noted that Ms. Rolfe demonstrated the Internet version, however, for cable television, the customer would only be able to view what is live. Mr. Seeds noted that the City of Harrisburg fills their channel with all kinds of programming. Ms. Rolfe noted that the TelVue server can store up to 400 hours on a single device. She noted that the server could be programmed to view the bulletin board, messages from WEBUS, show parades, fireworks, etc. She noted that the channel could play a bulletin board when it is not playing out in long form. She explained, from midnight to six in the morning, it could be programmed to play NASA.gov. She noted that there are many sources for content from the Alliance for Community Media, for public broadcasters. Mr. Seeds noted that all the meetings could be televised, to include parades, etc., and then they could be replayed as well.

Mr. Crissman questioned if most municipalities need to hire a full time person to manage the channel. Ms. Rolfe answered that it is not necessarily true. She noted that the system is set up so that they can be easily maintained; however, it is good to have a core base of volunteers who are interested in community media. Mr. Wolfe noted that TelVue is programming a channel in Carroll Township and they have their own 24/7 TV station. He noted that they did not hire additional people to manage it. Mr. Crissman noted that someone must update the information. Mr. Wolfe noted that the Township currently does that now for its website and newsletters.

Mr. Crissman questioned if Ms. Rolfe could pull up a TV channel. Ms. Rolfe answered that it would have to be streaming over the internet, but she could use the video servers to do that. Mr. Crissman noted that the bulletin board information is really helpful to the citizens. Ms. Rolfe noted that you can establish start and end dates for all of the messages. She noted that the schools use this heavily as many of their messages have a short play-life.

Mr. Seeds questioned if some communities have discontinued their newsletters. Ms. Rolfe answered that they have. She noted that that is why they have created a web option to service those citizens who do not have cable TV.

Ms. Rolfe questioned if the Township was an agrarian community. Mr. Hawk answered that it was not.

Mr. Seeds questioned what the cost of the system would be. Ms. Rolfe answered that the Township would receive a 25% discount from the already discounted PEG TV. She noted that the cost for the video servers and WEBUS is a one-time fee of \$5,950.00 less 25%. She noted that it provides for a system with multiple users to create a 24/7 channel with messaging and two minute video public service announcements. She noted that the price quoted is for the basic B-100 model. She noted that the only service that has a monthly fee is PEG.TV, with the hardware being a one-time purchase. She noted that it also provides for a one-year maintenance agreement with tech support. She noted that the Township could opt to buy into an extended maintenance plan. Mr. Seeds questioned what it would cost to have both the TV and web service. Ms. Rolfe answered that a video server with WEBUS, and a software plug in, would cost \$4,462.50. She noted that the web component would cost \$1,000 for setup, and \$250 per month. She noted that it would cost \$3,000 a year for PEG.TV, full video server and web component. Mr. Seeds noted that it would cost over \$8,000. Ms. Rolfe noted that it would cost under \$10,000 for service for the first year. Ms. Rolfe noted that she could provide an itemized proposal for the Board members.

Ms. Rolfe suggested if the Township would be able to find ten advertisers who would be willing to spend \$25 a piece, it would cover the monthly service charge.

Mr. Crissman questioned who the competition is for TelVue, and how do their prices fair. Ms. Rolfe noted that one competitor would be Innermedia, noting that they provide a different product that is entrenched in the community broadcasting side. He noted that Maestrovision, Rush Works, La Tronics, and Tighrope, are other broadcast companies. Mr. Wolfe questioned how the competition compares in the number of clients to TelVue. Ms. Rolfe answered that she did not know how many customers Innermedia has; however La Tronics has many customers since they have been in the business for 30 plus years. She noted that many of the cable companies have dealt with La Tronics, however, it would not be remotely accessible and must be managed at the box.

Mr. Seeds noted that the Township has the capability of moving to this type of system through Verizon, and the Township is in the process of negotiating another contract with Comcast for the same service. He noted that the same things would be shown over different channels for those two cable providers. He noted that citizens could gain access to the same information through the web.

Mr. Crissman questioned how TelVue compares with its competition in terms of cost of services, noting that price is the bottom line. Ms. Rolfe answered that it would depend, noting that sometimes, Latronics is lower in price, noting they provide an entry type box that sells for a little under \$4,000. She noted that TelVue would work with the Township on its price. She noted that the Township is eligible for an immediate 25% discount. Mr. Wolfe noted the equipment costs are under \$10,000.

Mr. Seeds questioned if the Township could run the channel by itself. Mr. Hawk questioned if Mr. Weisinger would be able to run the channel. Mr. Wolfe explained that currently, staff emails items to Mr. Weisinger or him, and either one will post the information. He noted that he posted much of the information that is found on the website.

Mr. Seeds questioned why the Township would hire Ms. Rolfe or someone else. Ms. Rolfe explained that Bloomfield has a full-time television manager. She noted that due to the community-based webcast focus, they would provide a very good product. She suggested that the competitors do not focus as much time and money.

Mr. Hawk questioned if Ms. Rolfe has contacted the Pennsylvania State Association of Township Supervisors (PSATS). He explained that he is a member of their Board. Ms. Rolfe stated that she has been in contact with them. He noted that PSATS works with 1,500 municipalities throughout the State. He noted that the State Education Conference is scheduled for April and it may be a good opportunity to provide information to a large number of municipalities. She explained that she is trying to expand her company's service into Central and Western Pennsylvania.

Mr. Crissman questioned what government personnel in Brigantine New Jersey would say about TelVue's service. Ms. Rolfe noted that Brigantine uses an older service model.

Mr. Hornung questioned where the Township would get the content to fill the airspace. Ms. Rolfe questioned if the Township had years of old municipal events or meetings, noting that she has numerous network sources for content. Mr. Hornung questioned if they are free. Ms.

Rolfe answered yes, noting the TelVue participates in file-sharing, noting that they are deeply involved in the Alliance for Community Media across the country. She noted that TelVue is working with ACMS to create standards for to public customers to upload and download each others content.

Presentation by Growth Options for the 21st Century (Go21) regarding legislation in Congress that will greatly impact rail transportation

Mr. Nick Sciullo, Growth Options for the 21st Century (Go21), explained that he provided information to Mr. Wolfe for the Board members by way of email. He noted that Go21 is a national non-profit group based in Alexandria, Virginia, working in roughly 30 states, to advocate rail transportation. He noted that rail transportation impacts things like economic development, reducing wear and tear on local roads, traffic congestion, fuel efficiency, and reduced air pollution relative to other means of transportation. He noted that many towns and cities succeed due to rail transportation. He explained that he works with local, county, and state officials, transportation engineers, chambers of commerce, and environmental groups who have stock in transportation in their communities.

Mr. Sciullo noted that his advocacy, on the Federal level, is focused on two pieces of legislation. He noted one Go21 supports, and the other it opposes. He noted that the legislation that he supports would provide a 25% tax incentive to any business that invests in expanding railroad capacity. He noted that intermodal facilities, (places where trains and trucks connect), laying double track where there is only a single track, bridge and tunnel modernization to allow double-stacker containers, are examples that would qualify for these incentives.

Mr. Sciullo noted that Go21 opposes the legislation that would undo the Staggers Rail Act of 1980. He noted that it established reasonable regulations on railroads. He noted that prior to 1980, many railroads went bankrupt, such as Penn Central, New York Central, and Lehigh Valley Railroads. He noted that going back to those days would be bad for the 13,000 active railroad employees in the State, and for the citizens and communities. He noted that PENNDOT is projecting up to an 80% growth in freight volumes over the next 20 years. He notes that this increase in traffic would affect the local highways and interstates. He explained that going back to the days where it was harder for the railroad to succeed would be bad for everyone.

Mr. Sciullo noted that he included a list of his supporters with the packet information, noting that it includes people from all sides of the political spectrum. He noted that he is requesting the Board to pass a resolution and write letters to their Congressmen. He noted that Pennsylvania has the fifth largest rail mileage in the Country.

Mr. Seeds questioned Mr. Sciullo if he wanted the Staggers Act to remain as is. Mr. Sciullo answered yes. Mr. Seeds noted that Mr. Sciullo would want the Board to pass a resolution to maintain the Staggers Act as is. Mr. Sciullo answered yes, and stated that he could provide a sample copy for the Board members to us.

Mr. Hawk noted that the Board's main response would be to pass a resolution and write letters to members of Congress. Mr. Sciullo explained that he would ask the Board to write letters twice a year to the members of Congress in addition to passing a resolution. Mr. Sciullo noted that he could email copies of the letters and resolutions to Mr. Wolfe. Mr. Crissman noted that he would have to view the letters and resolution before he could commit to doing anything.

Mr. Seeds noted that he is in favor of rail transportation and he would like to see it brought back. Mr. Hawk noted that it would be better for Pennsylvania roads and traffic in general. Mr. Sciullo noted that the constant construction on the Pennsylvania Turnpike never seems to make a difference. Mr. Seeds noted that he would like to see more passenger high-speed rails. He noted that he would rather travel by train then having to put up with all the issues at the airports. Mr. Sciullo noted that across the country, 90% of the passenger trains roll on freight rail tracks, and they also suffer from congestion on the tracks. He noted, if more rails and capacity were added it would benefit both passenger and freight rail.

Mr. Sciullo noted that he would provide the letters via email to Mr. Wolfe. He noted that the bill to overturn the Staggers Act is not currently in Congress, but it is always an issue that is at play.

Presentation by Innermedia regarding PEG TV programming services

Mr. Evan Wimer, from Innermedia, noted that the Township is moving forward with a Public, Education, Government (PEG) Channel or Education, Government (EG) Channel in the community and he is present to show how simple a solution PEG TV would be if provided by Innermedia. He noted that it would have a powerful impact on the community. Mr. Wimer explained that he has the capability to provide web access to authorized users, with video

capabilities, bulletin board capabilities, and some other future areas that Innermedia is developing.

Mr. Wimer explained that the sponsorship units are handled a couple different ways. He noted that the video capability can be loaded off-site, and can help in a variety of different ways, whether it is replaying on some Township content, or entering in sponsorships. He displayed some content from North Allegheny School District, and explained that some of the content would be updated through the web interface. He noted that it is very clean, modern, and attention getting. He noted that he mixes it with dynamic content, which is content that Innermedia feeds to your local community. He noted that it would include traffic updates, weather information, storm conditions, based upon the geographic location, and it is included as part of the service. He noted that this would be added along side the content provided by the Township. He noted that the dynamic content would continue to be updated and run in the background when the community information is not available. He noted that he reports weather conditions as well as a number of things on the screen at one time for the North Allegheny School District. He explained that it is not a basic power point or traditional PEG programming, it is much livelier, much more broadcast oriented, and it makes people feel like they are not watching a low tech channel.

Mr. Wimer explained that there are five key benefits to Innermedia's product, with the first being public service to the community. He noted that it is vitally important, to communicate emergency information to the community as timely as possible. He noted that information could be broadcast within minutes to the viewing public. He noted that second key benefit is that the channel is live 24/7, noting that other sources of communication that the Township has used in the past may be more static. He noted that a newsletter is great, but the information becomes old quickly, but the PEG TV is up to date, and is constantly available. He noted that the third point is that PEG TV has localized content, and it is specific to the Township's community. He noted that news headlines, weather, and traffic could be part of the information provided in addition to the Township's news. He noted that the fourth benefit is that it is environmentally friendly, noting if every municipality in Pennsylvania published three 8-page newsletters, annually, it would require 21.7 million trees. He noted by focusing more on the electronic communications through the web site or PEG Channel, the information would be distributed more timely and more efficiently, and more cost effectively. He noted that the fifth benefit is that it would be

economically beneficial to the Township and the community. He noted that there are other models that provide PEG TV, but Innermedia is the only one that provides the community to ability to market the information and return the dollars back to the Township. He noted that Innermedia has a small placement fee for every sponsorship that is purchased. He noted that the additional dollars go back to the Township, and this would be a means to offset the costs, noting that Innermedia charges a monthly fee to operate the channel.

Mr. Wimer explained that there is a simple web interface to access the channel with the right password and security information. He noted, if a notification would have to be made from an off-site location, the Township Manager could log on from anywhere, update the information, and within fifteen minutes it would circulate back to the channel. He noted that there are two fields, one for email and one for a password, and once you entered into the system, the list of messages that are currently playing would be shown, noting that every message has a start and stop date. He noted that the message would be keyed to start on a certain day and stop on a certain day. He noted that each message has a category, title of content, and you would have the ability to preview, edit, and remove the message. He noted that the Township could receive requests from the community and the administrator would have to approve the message before it would be displayed. He noted that there is a way to share responsibilities, not putting the entire burden on one person.

Mr. Wimer explained that there are fourteen templates to access on a regular basis. He noted that each has a start and stop date. He noted that there is room for a headline, text, and photographs, and once the program is prepared and previewed, the administrator would publish it and it would be on the channel within ten to fifteen minutes.

Mr. Wimer that there is a list of specific dynamic information to include current weather, extended forecast, business information, stock market information, local news, consumer news, sports, amber alerts, and others. He noted that the Township could add local sports to the channel, and any scores from sporting events could be added.

Mr. Wimer noted that someone like Highmark could be a sponsor, noting that they may have an appropriate video commercial segment that they would want to air. He noted that he provides for a simple way for local businesses or organizations within the community to sponsor the network. He noted for \$99, they could purchase a 30-day span of time, to be aired every fifteen or twenty minutes, and it would appear as a community spotlight. He noted that once

sponsorship is marketed, he would provide the sponsor with a log in and they would enter their information, noting that it would have to be approved by the administrator, and then entered into the system. He noted that he would be willing to make presentations to some of the businesses or local groups to share the concept of buying sponsorships with the Township. He noted that any company who knows what it costs to purchase time on television would realize the value that they would get on the Township's PEG channel.

Mr. Wimer noted that all these items relate to quality broadcast programming. He noted that the Township would control a large portion of it, with Innermedia providing the dynamic content, and sponsors providing information, as well as other outside contributors. He noted that it would result in a vibrant, robust channel for the community.

Mr. Wimer explained that he works with all the cable providers, noting that Comcast co-locates servers in their facilities, whereas Verizon brings a return line into the building, and he would provide a server that would drive the channel from the building. He noted that he works with multiple cable organizations at the same time, providing the same channel back out to the different providers. He noted that the internet essentially takes the municipal content and Innermedia's feeds, and organizes it on the Innermedia player. He noted that the server feeds back to the cable provider and they subsequently distribute it back to the residents in the Township.

Mr. Wimer noted that Innermedia has been providing private television networks to many large organizations in Pennsylvania area. He noted that they range from healthcare to banking, to universities and others arenas. He explained that he creates programming for those organizations, such as Highmark. He noted that Highmark uses it to make their operations more efficient. He noted that they are also using the information for retail sales at a Highmark store, and are providing the services for the Highmark store located in the Silver Springs Mall. He explained that he has not provided municipal services for as long as some of the other clients, but he works at a very high caliber and a very high demand from his current clientele, which makes Innermedia more valuable for the municipal organizations. He noted that the Township could be gaining all the efficiency that he has developed from his other clients. He noted that Innermedia is a simple solution to provide what the Township needs to operate its own local television channel.

Mr. Wimer noted that the Board may want to determine what value there is to communicating immediately with its citizens, to include emergency messages, school closings, as well as other municipal information to provide residents information on a 24/7 basis, as well as the elimination of print communication if it chooses to do so.

Mr. Wimer noted that the Township would purchase its service from Innermedia. He questioned how many people reside in the Township. Mr. Wolfe answered roughly 47,000. Mr. Wimer noted that the Township's service would be on the higher scale, noting that he provided a limited offer to the Capital Area Region Council of Governments, with a monthly fee of roughly \$1,200. He suggested that two or three sponsorships could cover that price very quickly. He noted that the technology is very sophisticated, but it is very simple to use. He noted that if you break the total amount among the 47,000 residents in the Township, it becomes a very small investment. He noted the Township would find a substantial savings in the printing and mailing costs, and the PEG channel could become a very efficient means to communicate with the public.

Mr. Seeds questioned if Innermedia had a web interface. Mr. Wimer answered that he could provide a web interface, noting that there is an additional charge for that, and if the Township bought the television service, he would be very competitive with the rate. Mr. Seeds questioned if there was a setup fee. Mr. Wimer answered that the initial fee for the server that runs 24/1 would be \$2,499, and the server would be owned by the Township. He noted that Innermedia would monitor the server 24/7 and maintain it. He noted that he has servers that have been running in excess of five years that have never been replaced, and have had no mechanical problems, however, at some time, all equipment would need to be replaced.

Mr. Seeds questioned if it would be necessary to hire more staff. Mr. Wimer answered no noting that the additional work could be performed by the administrator who would maintain the system by entering new headlines or other materials on a daily basis. He noted that the Township would determine how much information is appropriate, and it would only take a few minutes a day to update the channel.

Mr. Seeds noted that Central Dauphin School District is within the Township's boundary and he questioned what part they could play with the PEG TV channel. He suggested that it would be advantageous to partner with them. Mr. Wolfe noted that the Township owns the line, not Innermedia. Mr. Seeds suggested that it would be very good for the School District, but they

would have to be in contact with the other six government entities in the district. Mr. Wimer explained that he runs the North Allegheny School District channel, and there are four other municipalities that are participants with the School District. He noted that it provides for many contributors in terms of the station's content.

Mr. Wimer explained that there is a fee for every user, and each would be given authorization to access the channel. He noted that he runs the programs in segments, such as sports, news, and municipal highlights. Mr. Wolfe noted that the Verizon line would be defined to the Township boundaries. He noted that Comcast is not set up that way but since the Capital Area Region COG is still in negotiations with them, it is not possible to say what the end result would be. He noted that the two providers are technologically different and the Township would have to provide content to meet both needs.

Mr. Seeds questioned how the system works for North Allegheny School District. Mr. Wimer answered that they have one channel, but three operators for that area, Verizon, Comcast and Armstrong. He noted that he works with all three providers to distribute the content on all three operators' networks. He noted that one channel is transmitted to all three providers.

Mr. Wolfe suggested that the Township would not need to provide outside content, rather, in cooperation with the School District, it could televise a school play, musicals, graduation ceremonies, and other items that the local media does not cover. He noted that there are four high schools that could provide programming to the Township's channel. Mr. Wimer noted that the Township should look at the schools as partners or contributors and they could be allocated a certain amount of time; however, the Township would own the channel.

Mr. Hornung questioned what the additional fees are. Mr. Wimer answered there would be additional fees if multiple municipalities used the Township's channel. Mr. Wolfe explained, if the Township's channel broadcasted the information from School District, it would be considered a single channel, however, if each entity had a direct fee or the individual ability to enter content, each entity would have to pay a subscription fee. He noted that the additional cost would cover the extra server. He explained if the schools had an inter-connect agreement, shared the signal amongst each other, using only one server, then there would be no charge.

Mr. Crissman questioned what percentage of their clients are school districts versus government agencies. Mr. Wimer answered that it is heavily weighted towards municipalities, with only 2% for the school districts because the municipalities control the channels or contracts

with the providers. He noted some municipalities have waived their rights for the channel. Mr. Wolfe noted that even though you would think that institutions of higher education are progressive, the Central Dauphin School Board has never wanted to televise its meetings, yet the Township's meetings have been televised for more than 25 years. He noted that the School District never had direct feed capability at their facilities.

Mr. Hornung questioned if the segments are normally half hour programs. Mr. Wimer answered that there are fourteen templates, in addition to the dynamic content, and he intersperses each of those. He noted that he must be flexible, since the Township might have only three templates activated, using more dynamic content. He noted that there is no half hour increments in the scheduling, allowing the Township to schedule what it wants. He noted that the weather information would be changing each time it is displayed. He noted if the Township wanted to broadcast a school concert at 8 p.m. on a Saturday, and air it three times over the course of the week, the Township could air whenever it wants to. Mr. Wolfe noted, in the older presentation, Innermedia had a content wheel example which was very descriptive of what the Board members are asking about. Mr. Wimer explained that he would be happy to email that to Mr. Wolfe. Mr. Wolfe noted that when you see the graphic content wheel, it would become easier to understand.

Mr. Crissman questioned what the closest municipal client that he could contact to inquire about Innermedia's product would be. Mr. Wimer explained that he has been working in the area, trying to secure clients, but he does not have any at this time. Mr. Crissman suggested that the closest client would be Quakertown.

Mr. Seeds noted that Innermedia made a presentation during the COG meeting but many members were missing from that meeting. Mr. Wimer noted that the weather was bad that evening and only eight or ten members were in attendance.

Mr. Seeds questioned if Innermedia charged a monthly fee. Mr. Wimer answered that he provides a specialized service with ease of access to schedule content. Mr. Seeds questioned if staff would need more time to administer the channel. Mr. Wimer noted that the immediate savings would be to move away from newsletter and direct mail, noting that most citizens could be reached by way of the television channel. He noted that the savings in postage and printing for the newsletters would result in a substantial amount of savings in the budget. Mr. Seeds noted that other companies do not charge monthly fees. He questioned what services the Township

would receive for the monthly fee of \$1,200. Mr. Wimer answered that Innermedia provides quality service, and the Township would have the ability to earn dollars from its sponsors. He noted that other providers would want a much larger amount of the revenues from the sponsors as that is how they make their money. Mr. Seeds questioned how much Innermedia would charge for the sponsorships. Mr. Wimer answered that there is a placement fee for those sponsorships. He noted that each time a sponsorship is placed, a fee of \$49 would be charged to schedule it and run it. Mr. Seeds questioned if it was a one-time fee. Mr. Wimer answered yes. Mr. Hawk questioned if the pricing for municipal as opposed to corporate clients would be the same. Mr. Wimer answered that the pricing would be different.

Mr. Hawk questioned, if he called Quakertown and asked for their feedback on the service, would the government feedback be different from a corporate entity. Mr. Wimer answered that it may be different as the structure and requirements are different noting that there would be a lot of production work for a corporate sponsor. He noted that he would provide more services to shoot videos for a corporate sponsor. He noted if Mr. Hawk talked to someone at Quakertown, it would be a good comparison as they are a single municipality running their station 24/7. He suggested that their population is half the size of the Township's and they are very happy with their fees and service.

Mr. Wimer noted that reliability is a big portion of the service, as well as providing updated content. He explained that he has built a strong corporate business clientele, and sees this as an opportunity for local governments to get better quality programming and not settle for a cookie cutter approach to building their own local program.

Mr. Hornung questioned if the Township used more of Innermedia's time, what the fee structure would be. Mr. Wimer answered that he would be available to be hired for production services if needed. Mr. Wolfe noted that the product the Township would be buying would include everything except production time. Mr. Wimer that the Township would have 24/7 access to the software, it could be updated at anytime, and there would be no additional charges every time the Township posts something. Mr. Hawk questioned what would it cost if the Township had to call Innermedia to assist with programming. Mr. Wimer answered that he would be able to show an administrator how to program the channel as it is very simple. He noted that he would provide initial training, be available to help with questions, provide a very

good manual, and he would never leave the Township hanging. He explained that his expertise would be part of the service provided.

Mr. Crissman questioned what the bottom line cost would be. Mr. Wimer answered that it would cost \$2,499 to get the channel up and running, with a monthly fee of \$1,200. He suggested that TelVue would charge more upfront for their equipment, and they would take more from the Township's sponsorships. Mr. Stine noted that TelVue charged for the WEBUS service. Mr. Seeds noted that the web was also an additional fee. Mr. Wimer questioned if the Township would want that service as well. Mr. Seeds answered that he would want the WEBUS service. Mr. Wolfe agreed with Mr. Seeds. Mr. Wimer noted that there would be an additional piece of hardware, roughly costing \$800, and a monthly fee, but he would work with the Township on that price. He noted that he would provide that service at no additional fee for two years.

Mr. Hornung questioned if the local weather would be provided as part of that flat monthly fee of \$1,200. Mr. Wimer answered that it is included in the fee. Mr. Hornung questioned if Innermedia could provide the news banners that run across the bottom of the screen. Mr. Wimer answered that it is a service that he could provide that would be additional to enable a ticker, but he questioned what the ticker would communicate. He noted that Innermedia's philosophy is if you are trying to provide the best communication to the residents, a ticker would be distracting, and viewers get pulled in many directions and miss the information that the Township is trying to communicate to them. He noted that the Bloomberg approach is appropriate for some things, but not for a local municipality. He noted having multiple things occurring at the same time becomes confusing and does not provide the best focus for the product.

Mr. Hornung questioned if Mr. Wimer would recommend that the Township should purchase a new camera. Mr. Wimer answered that he would work with the Township to make recommendations for equipment. He noted when you are working with Comcast and Verizon, they would not provide the Township with a high definition channel, therefore, it would not be a high definition quality product. He suggested that the definition should be 720 pixels as compared to 1080 pixel camera, noting that putting out a product at a super quality would not translate onto the channel. He noted that he would always recommend purchasing a better piece of equipment as it would last longer, be more durable, and a better quality product. He noted that his product is more efficient and cost effective than TelVue, noting they have a different way of

pricing their product. He noted that the Township would know what it is getting from Innermedia.

Mr. Crissman questioned, in four sentences, why the Township should support Mr. Wimer's proposal. Mr. Wimer responded that his product is reliable, and a quality product that is more in tune with the community. He noted that he understands consumerism much better than the competition.

Mr. Hornung questioned if North Allegheny School District or anyone else has hired someone who does movie programming, as compared to a slide show programming, and does it justify hiring someone at a \$40,000 salary to make it all happen and to solicit sponsors. Mr. Wimer answered that most of the time, it would be very hard to find that funding. He noted that there are a few groups who have a staff of two or three that fund the local channels, but when you get into that expense, it is a losing proposition. He noted that he feels that Innermedia provides the most economical and most efficient way to get the information out. He suggested hiring someone is not dollars well invested.

Mr. Seeds questioned if the Township would sign a contract with Innermedia for services, would it be for a certain time period. Mr. Wimer answered that the standard contract is for two years, and beyond that he would work with the Township.

Mr. Hawk questioned what the start up costs would be. Mr. Wimer stated that it would be \$2,499 for the hardware, \$1,200 monthly fee, plus \$800 for the web hardware. Mr. Hawk noted that it would cost roughly \$18,000 a year, plus a portion of the sponsorships. Mr. Wimer noted that they charge \$49 for the placement fee for sponsorship for the life of their ad. He noted that he would provide a range of fees for what the sponsorships are worth, but if the Township could negotiate more, it would be to their benefit.

Status report on efforts to develop a solar farm on the closed municipal landfill

Mr. Wendle explained that he sent a memo to the Board members in July concerning a solar power farm that could be used to generate electricity within a two-mile radius of the landfill which could service the Swatara Township Treatment Plant. He noted that there is vacant land located at the landfill, and it may be cost effective to use that land as a solar field to generate enough electricity to power the Treatment Plant. He noted that the Board authorized Energy Systems and Installations (ESI) to conduct a feasibility study and apply for funding, and the

Township was awarded a \$3 million grant to be used for a solar field to be located at the Township's landfill.

Mr. Wendle explained that Tim and Corey Wolff, from ESI, will provide a power point presentation, and Bryce Hock will answer any technical questions. He noted that ESI is still waiting for written approval of the plan from PPL, even though a verbal commitment has been made. He noted if the Board chooses to move ahead with the project, plans and specifications would need to be prepared.

Corey Wolff explained that Tim Wolff completed the grant writing and was responsible for the grant award of \$3 million from the Commonwealth Financing Authority (CFA). He noted that Mr. Hock handled the design and technical issues, and all further work for the project was held up until he received notification of the grant award.

Corey Wolff noted that ESI, Inc. has proposed, and is performing feasibility for a three (3) megawatt solar photovoltaic array on the Township landfill site to power the Swatara Township Treatment Facility. He explained that the total area needed to place the array would be 15 acres. He explained that the project was originally budgeted for a 3.05 megawatt system; however, he has reduced it to a 2.95 megawatt system since he would be able to work directly with PPL and not have to work with PJM, the 13-state controller of electricity. He explained that working through PJM could have drawn out the project for many years and the Township would lose its grant. He noted that the smaller project would entail installing 60 to 80 less panels for the solar array. He noted that he lowered the system, and changed some of the equipment to make more power with a smaller system.

Corey Wolff explained that he has been working with PPL for the interconnection and was told that PPL does not see any major expense, such as having to build a \$2 million substation at the location. He explained that he only budgeted \$250,000 for this interconnection work. He noted that ESI expects the costs to be less than \$500,000, and once they received the written approval from PPL, then they would have a better project cost estimate.

Mr. Crissman noted that the slide states that PPL is preparing to schedule a site visit to complete the interconnection feasibility application. Corey Wolff explained that PPL has given a verbal approval to ESI, based on location. He noted that PPL reviewed their grid and determined that the project would work. Mr. Hock explained that PPL would not visit the site until they determine that the substation and surrounding infrastructure could support it. Corey Wolff noted

that PPL was contacted over 90 days ago to review the information, and a member of his staff calls every other day to see how PPL is progressing. He noted that PPL is understaffed.

Corey Wolff noted that the grant awarded to the Township was the third largest of the 34 projects approved through the Commonwealth Finance Authority (CFA). He noted that he revised the pricing to \$15,650,000, to include the fill and interconnection fees. He noted that the Township would need to finance \$12,650,000. He explained, if the project is delayed, issues that could affect the overall costs are the current market price of steel for the racking, solar module pricing, and final interconnection cost.

Corey Wolff noted that CREB's are renewable energy bonds that are available through the Federal government at 0% interest. He noted that the total annual costs for those bonds would be roughly \$33,775. He explained that he would need to speak with the Township's insurance carrier to determine a cost for insurance. He noted that the income assumptions are \$250 per each renewable energy credit; therefore, for each megawatt of power the system produces, the Township would receive a renewable energy credit SREC, that is a tradable commodity the Township could sell monthly. He noted at ten cents per kilowatt hour, the system would generate 3,540 megawatts of power per year. He noted that the Swatara Treatment Facility would only use 3,000 megawatts a year; therefore, the extra 540 megawatts could be used at another facility. Mr. Wolfe questioned if two mile radius would be a consideration. Corey Wolff answered, for a power purchase agreement; the Township could work out an agreement with the plant. Mr. Wolfe questioned Mr. Wendle if the extra power could be used to generate electricity for the Beaver Creek Pump Station. Mr. Wendle answered that that facility is within two miles, but suggested that it could also be used for the Friendship Center, noting that the building is in the Township. He noted if the Wet Weather Treatment Plant was ever built, it could be used for that facility. Corey Wolff noted that the project could be expanded, if there was a need for more power, after the Township gets past some of the preliminary issues. Mr. Hock noted that the spot market pricing is currently \$320 instead of \$250. He noted that he included a 3% escalator assuming growth of income at that rate, noting that the expenses would also rise 3%. He noted that the mortgage assumption would be \$12,645,368, to include fees related to the issuance of the bonds, for a 15-year term noting that the annual payment would be \$877,138. He noted that the stimulus funds are based upon a 20-year payback.

Mr. Blain noted that the operating expenses did not include anything for maintenance. Corey Wolff noted that there is no maintenance, and the package would come with a free five-year maintenance agreement. He noted that it is standard in the industry. Mr. Blain questioned if there would be operating expenses after year five, noting as the panel age, they would require more upkeep. Corey Wolff noted that the only number that he is concerned with is the insurance number. He noted that there are no moving parts, and the plan would include 24-hour monitoring for efficiencies. Mr. Wendle explained that the original used a smaller area with tracking panels, which would have had some mechanical parts and maintenance, however, the costs of panels dropped enough that it would be cheaper to install fixed panels with no mechanical parts. He noted that some of the expenses are not annual ones, noting that the commissions are based upon SREC sales, and represent 1% of the total gross. He noted that the utility must pay 1% to a broker and the seller must pay 1% as well. He noted that lawn maintenance would require mowing the grass.

Mr. Seeds questioned Mr. Wendle if there would be an issue with ground settlement. Mr. Wendle answered that the original plan called for heavy ballasts, but the anchor system for the new design uses a screw anchor. He noted that is the reason for the two feet of fill. He noted if there is some settlement it does not make much of a difference in how they operate. He noted that the weight of the panel is all that it holds as opposed to a big concrete weight to keep the panel from blowing away. Corey Wolff noted that the panels may have to be reset at some point. Mr. Seeds noted that the Township has had some difficulty with the soil under the ballpark. Corey Wolff explained that the racking system flows with the ground contours, so if the ground settles, there would be no need to adjust the ground screws. Mr. Seeds suggested that the residents would complain, if the Township could install solar panels, it could have installed a playground. He noted that he did not know if the solar array will be a good payback or not.

Mr. Blain noted that the income growth is 3% and it is extrapolated over the 25 years, but he questioned how they factored the loss of power generation from the aging solar panels. Corey Wolff answered that the panels are warrantee out to 25 years. Mr. Blain question if the panels lose energy over that time period. Mr. Hock explained that the solar panels are guaranteed to maintain 90% of their output for 20 years, so they lose less than half a percent per year. He noted, after that point, for the molecular level, the panels would start to deteriorate, and then the

power curve would drop dramatically. He noted that the realistic life is 40 years, but at that point, you would only be producing 30% of the original intended power.

Mr. Blain noted, at year 20, there is a good chance that the power generation would start to drop off from the 90% level, but the income number is shown to increase by 3%. He questioned if the project would be losing a certain amount of power, so the amount of megawatt production would be reduced. C Wolff noted that Mr. Blain's assumption was probably correct. Mr. Blain noted that it would impact the cash inflow. Corey Wolff agreed that he should adjust the model when he gets out to year 25, however, no one would know what the price of power would be at that time.

Mr. Hock explained that the solar panels would continue to generate power after the pay-off point; however he would not expect there to be renewable energy credits in 20 years. He suggested that the Township would switch over to a tariff system to represent a similar income method.

Corey Wolff noted that the stimulus money is available at 3.5% interest for 20-year bonds. He noted that he used those figures, but did not make assumptions for the bond fees, noting that the project would provide the same income, same yield, same expenses, noting that the payback would occur in slightly over ten years due to the payback to the Township in interest income.

Corey Wolff recommended that the area of panels located next to the tree line be moved further south. Mr. Hock noted that the plan would work the way it was originally laid out, but he is concerned with future tree growth, therefore, he asked Mr. Wendle if he could expand the area to the south. Mr. Wolfe noted it would be better if the panels could be moved further towards the south and limit the use of the area east of the access road. Mr. Seeds noted that if this was done, there would never be room for a park. He noted that the area between the two roads is fairly steep and additional site work would have to be done. He suggested that the entire site be enclosed in a fence to prevent vandalism. He noted if the access road was allowed to remain as it is, there would be a need to install two fences or a gate.

Mr. Hornung noted that much grinding is done at that site, and he questioned how the dust would impact the solar panels. Mr. Hock answered that he is okay with dust unless it is concrete or limestone dust. He noted that there is enough rainfall in the area to wash the dust off naturally. Corey Wolff explained that the panels will generate power through dust. Mr. Hock

noted that limestone dust can knock a cell out, and if the panels are wired in a string series it could knock out the entire string.

Mr. Hornung questioned how much vandalism occurs. Mr. Hock answered that he is not aware of any vandalism, noting that most of the incidents are theft reports. He noted that these occur mostly in remote areas where there are hunting cabins. He noted that the most common damages are from stray bullets and wildlife, and the panels are rated for one inch hail. He noted that insuring solar panels is new to the insurance industry. Mr. Hornung suggested that \$12,000 in insurance fees seemed low to him considering it would be insuring a \$15 million project. He noted that he was concerned as to what the insurance would cover. Corey Wolff explained that he needs to talk to the Township's carrier, noting that there are five or six different items that the solar panels can be insured for. He noted that acts of God or the 100-year hail storm are items that need to be considered. Mr. Crissman questioned Mr. Hock if the vandalism normally occurs in remote areas. Mr. Hock answered that he meant theft instead of vandalism, and those incidents occurred in remote areas near hunting cabins. He noted that the price is inclusive of a six-foot fence with barbed wire at the top.

Mr. Seeds questioned how he could be assured that the project would work. Mr. Hock answered that thousands of people have been studying this for the past sixty years. He noted that large projects will be installed all over Pennsylvania in 2010. Mr. Seeds questioned if there was enough sun to make it work. Mr. Hock answered that you do not need the sun, the panels are tested under standard test conditions, noting that the cells receive 1,000 watts per square meter of sun light in laboratory testing. He explained that is how the cells are rated to include a certain temperature as well. He noted that the Harrisburg area is nearly identical to the standard testing area, with areas like California and Florida producing better results. He noted that Germany is the number one country in the world that has installed solar energy, and if he took a radiance map and compare it to the United States, it is almost identical to southern Alaska. He noted, if the panels function well in Germany, they will do even better in Pennsylvania. Corey Wolff noted that the best radiance is found in the southwestern part of the country. Mr. Hock noted that on cloudy or rainy days, the panels will generate 70% of their power. He noted if a model is rated for 200 watts of power, it does not mean that the module could not over produce. He noted on clear days when the ground is covered with snow, the module could generate more power than it would on a clear day in the summer. He noted that there are many variables that go into

over-producing to balance the under-producing days. He explained that he has based this data on the readings that have been taken from several airports, and this has been tested in New Jersey. Mr. Seeds questioned what happens when you get two feet of snow. Mr. Hock answered that the panels must meet minimum wind and snow loading requirements to include heights for drifting snow. The racking is required to withstand 90 mph winds; however, this racking is rated for 130 mph winds. Mr. Seeds questioned if the snow must be removed from the panels. Mr. Hock answered that the panels are installed at a fixed 30 degree angle, and nothing needs to be done. He noted that typically, the panels keep snow and ice from forming on them.

Mr. Hornung questioned if the panels have been screw-mounted into the ground anywhere else. Mr. Hock answered that one company installs the screws, and he installs the racking. He noted that it is a typical installation using the screws, and the closest installation would be located in New Jersey. Corey Wolff explained that it is a much better process than using a concrete installation. Mr. Hock explained that there is zero environmental impact. He noted that after the fill is installed, he would conduct a geo-site test and send samples to the manufacturer, and they would design the product for the soil content.

Mr. Wolfe questioned where the closest facility would be located. Mr. Hock answered that he could email an address to Mr. Wolfe, noting that it is roughly 2.5 hours away, about 20 minutes west of Atlantic City, New Jersey. He noted that the project is not commissioned yet, but the panels are installed. He noted that the proposed racking would use three rows versus only two rows, therefore a 3 by 12 would be one array, and it would be grouped together and appear to be one long line.

Mr. Seeds questioned if there was a proposed cost for lawn maintenance, and asked if the grass would have to be mowed between the racks. Mr. Hock answered that after adding the fill, he would pick the type of grass that would consume any other weeds that would grow in the area, and a grass that is height controlled that lays over after it grows to a certain height. He noted that you would not have to mow the grass, and in many countries, since it is a fenced area, they use sheep to control the grass. He noted that you need to use sheep and not goats as the goats then to jump on the panels.

Corey Wolff noted that once a final interconnection agreement with PPL is reached, and a power purchase agreement with Swatara Township Treatment Facility is finalized for the

pricing, he would complete a request for proposals for the Township. He noted that the Township would have to issue bonds.

Mr. Hornung questioned what contingency was included in the costs. Corey Wolff answered that he did not add a contingency as the price was based on current pricing. Mr. Wendle suggested that ESI should add a 10% contingency for the project. He also suggested that a sensibility analysis be conducted to cover future changes for up to ten years before finalizing the final report. He noted that he did not know what the time frame is for making a decision for the grant. Tim Wolff explained that he would have to follow up with Mr. Wolfe on this. Mr. Wolfe noted that the CFA made contact with him, asking for a certain number. Tim Wolff noted that he listed Mr. Wolfe as the point of contact for the CFA.

Mr. Wendle noted that the land could be leased to someone who could do the project, noting that they would get a 30% tax credit, but when he looked at the price, the payback would not be as good. He noted that a private vendor would be looking at the same profit margin and the Township would be giving up some of those profits.

Mr. Hornung requested Corey Wolff to look over the numbers from an engineering standpoint, before the Board could make a decision to move forward. Mr. Wendle noted that as soon as ESI hears from PPL, he would do a sensitivity analysis for different scenarios to minimize the Township's risk. Mr. Hock noted that the numbers are solid for 20 years. Corey Wolff noted that in 20 years the Township may want to replace the panels as they would have newer technology by then. Mr. Hornung noted that he would want to know what it would cost to replace the solar panels 20 years from now, assuming that the racking would not need to be replaced. Mr. Hock explained that 20 years from now they would not be using the same technology. Mr. Hornung noted that the Township would need to replace the racks. Mr. Hock answered that the Township would need to replace modules, but at that point there would be a secondary market to sell the old panels to areas such as South America and Latin America. He noted if the panels only put out 30% to 40% of their power, they will continue to be very useful in remote areas.

Mr. Hornung questioned what the output would be for the panels after 20 years service. Mr. Hock answered that it would be roughly 90%, noting that there is no definitive time, the panels would just start to break down over time and could last up to 30 years, but once they go,

they go quickly. He noted that the manufacturers state that the useful life is 40 years but it would only be producing at a 40% or 50% level of power.

Mr. Blain questioned how the renewable energy credits work. Corey Wolff explained that after the project is commissioned and generating power, it would be registered with PJM, the system would be given a serial number, and ESI will maintain and track the power output. He noted every month, based on megawatts, noting that 1,000 kilowatt hours generate one megawatt of power, it turns into a credit for generating power. He noted that it becomes a tradable commodity, and what has made those valuable is in Pennsylvania there is a renewable portfolio standard that requires the utilities in the State to buy a certain amount of power from renewable sources. He noted by 2021, the requirement would be 855 megawatts of power from solar, noting that there is pending legislation to push that six times higher than it currently is. He noted that at the close of 2008, the State only had 4 megawatts. Mr. Wolfe questioned if a piece of paper would be bought from the Township. Corey Wolff answered that the utilities are required to buy the paper, and the beauty is that it can be marketed in several different states. He noted that aggregators trade these commodities, and he based his pricing on the Pennsylvania spot market, which was \$320 today. Mr. Hock noted that it was \$600 in New Jersey, \$450 in Maryland and \$480 in Ohio. He noted that the \$250 amount is a very conservative number. Corey Wolff noted that he would suggest that the Township seek a State Renewable Energy Contract (SREC) contract, however, the grant does not permit a long-term contract, which is considered ten years, but he suggested that the Township could consider a five-year contract.

Mr. Seeds questioned why the CFA does not permit a long term contract. Corey Wolff noted that he does not know. Mr. Wolfe noted that when you deal with the CFA, they have obscure regulations that make no sense. Tim Wolff explained that the CFA stressed that they did not want anyone to go over a nine-year contract. Mr. Wolfe noted that it does not make sense that PENNVEST would not pay for private lateral when then the Township has a consent order requiring it to do the private laterals.

Mr. Blain noted that his concern was the assumption of renewable energy credits being available in 20 years. He noted that there could be legislation that changes everything, and the market could collapse. He noted that it would be good to enter into a solid contract assuring that the energy credits would be bought for five years, as it would hedge the Township's risk. Corey Wolff noted that he would recommend it, however, the downside is if the Township locks in for

five years for a \$250 REC, it may miss the \$400 REC that may be available in the future. He noted that this is the reason he does not recommend a long-term contract because it could limit the earnings for the system. He noted if the SREC market ceases there will probably be another market based upon production. He noted, in Germany, the fee for tariff is over 80 cents per kilowatt. He noted that Canada fee for tariffs is over 50 cents, noting this would be the best system. He noted that the Township's solar farm would be the second largest system in the State if it was commissioned within the next six months.

Mr. Seeds noted that that Dauphin County stated that it was going to build a solar farm. Mr. Wolfe noted that they only announced it, and do not have financing or a selected site.

Mr. Seeds questioned if the Wolfersberger Tract was considered. Mr. Wolfe noted that it was not a consideration. Mr. Wendle noted that they wanted the project to be within two miles of Swatara's Township's Authority Plant.

Mr. Wolfe requested a list of solar farms to visit. Corey Wolff noted that many of the systems are very new and do not have an established track record. Mr. Wendle questioned if someone from ESI should speak to the Township's insurance carrier to get a better price. Corey Wolff noted that he needs to get the commitment from PPL in writing. Mr. Hawk requested Mr. Wendle to update his letter dated July 10, 2009, specifically point number seven. He noted that the numbers he had in his memo are very close to the numbers Tim Wolff presented. Mr. Wendle noted that he would provide an updated list of figures. Mr. Seeds noted that he continues to have issues with soil settlement.

Mr. Crissman questioned when this project should be reviewed next. Mr. Wendle noted that the project is in PPL's hand. Mr. Hock noted that he has called PPL over and over but he does not know. He noted that he was provided a verbal commitment that PPL was confident that a system that size would fit in that location, and they provided a range, but he needs the approval in writing. Corey Wolff noted that he would try to get hard numbers as soon as possible.

Discussion regarding the 2010 minimum municipal obligation for the Township's employee pension plans

Mr. Wolfe explained that the Board directed him to get the figures for the Minimum Municipal Obligations (MMO) per Act 44, the newly adopted State Act that was adopted to provide relief to municipalities who experienced significant pension plan losses due to the sever

national economic conditions. He noted that Act 44 provides a mechanism to lower the annual MMO as the municipality continues to fund the pension plan. He noted that for the 2007 Actuarial Valuations, the total costs for the MMO for two pension plans would be \$836,166. He noted using the 2009 Actuarial Valuation and Act 44, the cost could be \$1,223,298. He noted that the Township has adopted the MMO based upon the 2007 Valuation, but the Board could amend the MMO, using the 2009 Valuation and the Act 44 technique and change it to \$1,223,298.

Mr. Wolfe explained that Act 600, the State's Police Pension Law, provides that the mandatory rate for employee contribution is 5% for plans whose members are covered by social security. He noted that the contribution can be reduced or eliminated on an annual basis, based upon the decision of the Board of Supervisors by resolution, and it must be done by the end of January. He noted that the decision must be based upon a certified actuarial valuation.

Mr. Wolfe explained that the Township Police Pension Plan states that the amount of each contribution shall be equal to 5% of compensation. He noted that the Police Collective Bargaining Agreement states that the present pension plan shall continue in full force and effect. He noted that the bargaining unit agreement makes no other reference to the pension plan.

Mr. Wolfe noted that the non-uniformed employees make a contribution of 2.5% of their salary, and the rate is subject to negotiations. He explained that any changes would require collective bargaining and no contracts are up for negotiations in 2010.

Mr. Wolfe explained that the 2010 Budget used the 2007 Actuarial valuation, budgeting \$925,000 for the MMO's, and that amount is \$88,000 greater than what was required. He noted that it is \$300,000 less than the new valuation for 2009 based upon Act 44.

Mr. Wolfe noted that the Township expects to receive \$640,000 in State Aid, and the non-uniform contribution to the plan is \$78,000 that brings the total contribution to \$718,600. He noted that any costs above that amount would be a municipal responsibility unless there were additional employee contributions. He noted that the \$718,000 amount is close to the \$836,000 that is required using the 2007 valuation with the Township being responsible for the additional amount that was budgeted for 2010.

Mr. Wolfe noted that the amount needed for the 2009 Actuarial Valuations, for the two pension plans is \$1,223,298. He noted that this amount produces a difference of \$504,698 from the revenue amount of \$718,600.

Mr. Wolfe noted, with a police payroll of roughly \$4 million, a 5% contribution would amount to \$200,000. He noted if the Township instituted a police contribution at 5%, then the remaining general fund obligation would only be \$304,698 when using the 2009 Actuarial Valuation. He suggested that the police would note that the Township's 2009 Act 44 valuation for the police is \$715,217, and it produces a difference of \$75,000. He suggested that the police may argue that they should only have to fund that amount. He noted that the Police Pension Act, Pension Plan, and Bargaining Agreement do not state that. Mr. Stine noted that the binding arbitration award clearly states that the Township is permitted to decide how the State Aid is allocated.

Mr. Wolfe noted that the Board must decide how it wants to fund the MMO, noting that in 2011, the Board would not have a choice, as it would have to use the 2009 figures for funding the MMO. He noted, if the Board chose to implement employee contributions for the Police Department, he suggested providing at least a six-week notice to the police officers. He noted that the mandatory deduction is 5%, however, the Board has the option to reduce the amount. Mr. Crissman noted that 5% contribution for half of the year would only amount to a \$100,000 contribution.

Mr. Wolfe explained that the Township's pension plan requires a valuation to be conducted every other year. Mr. Blain noted that he would be fine with waiting to use the 2009 valuation in 2011, and basing this year's assumptions on the 2007 Actuarial Valuation. He noted that the stock market is up 35%, and hopefully it will continue to stabilize. He noted that the growth of the current market would also be calculated in the next valuation.

Mr. Hornung questioned if the police would argue that the Township is only required to use the 2007 Actuarial Valuation producing a \$75,000 shortfall. He questioned if this would go to arbitration, could an arbitrator throw out the request for the 5% contributions, and this would impact the following year's contributions. He asked, if arbitration was resolved, based upon need, then the Township would be better off waiting to implement police employee contributions until 2011. Mr. Stine noted that it is very hard to determine what would happen in arbitration, but he would argue that deciding which valuation to use is management's decision. He noted that it would not be an interest arbitration where the terms of the agreement are decided upon, however, for a grievance arbitration, the police would have to show how the Township violated the terms of the collective bargaining agreement. He noted that the pension plan states that the Township

can charge up to 5% for employee contributions, and the collective bargaining agreement makes reference to the terms of the pension plan.

Mr. Wolfe noted that it is management's decision to make. He noted that the non-uniformed employees have been paying into the plan for years. Mr. Stine noted that their benefits are not as good as the police benefits.

Mr. Seeds questioned what would happen if the police appealed the arbitrator's decision. Mr. Stine noted that the Township would only have to pay back the contributions if it lost the appeal. Mr. Seeds noted that 5% is a large chunk to be taken from a pay check at one time. Mr. Blain noted that he would suggest taking a lower percentage rate this year because the Township is permitted to do so, but most likely, full pension payments would be required for 2010. Mr. Wolfe explained that the Township budgeted more than what was needed for the 2007 Actuarial Valuation, but the risk the Township runs is if it does not fund the pension plan enough for the future, it may end up getting further behind by not using the 2009 Actuarial Valuation. He noted that Mr. Blain's argument is that the Township might actually catch up more than what was actually portrayed in the 2009 Actuarial Valuation, and it may be requiring funding contributions that could be in excess of long-term need. He explained that he has no way to determine that. Mr. Seeds noted that he would not want to raise the pension contribution above 2.5%.

Mr. Hornung questioned when the police contract expires. Mr. Wolfe answered the end of 2011. He noted that this is a management right and a management right cannot be negotiated. Mr. Stine noted that the present pension plan was amended in 2007, and the clause states, "if it is determined by the employer, the employee shall make required contributions to the plan". He noted that the required contribution is defined as 5% of compensation. Mr. Wolfe noted that the State Pension Act states that employee contributions would be 5% unless reduced or eliminated. He noted that it would be illegal for an arbitrator to grant language other than what was stated.

Mr. Blain questioned if the Township could request an actuarial valuation as of 1/1/2010. Mr. Wolfe answered that the Board could request one be conducted at any time, however he would argue against it as it would pick points in time when you want to get a specific end result, as opposed to funding the plan per a programmed process. Mr. Blain noted that what happened in 2009 is a very unusual situation and the market corrected itself over a 12-month period. He noted that the market is trading 35% to 40% higher than what it was last year at this time. Mr. Wolfe noted that there were two 2009 Actuarial Valuations completed, one prepared in the usual

manner, resulting in a number of \$1.34 million, and one with Act 44, that was developed to smooth the results of 2008 because it was viewed as a once in a lifetime situation. He explained that the 2008 problem has already been smoothed by Act 44. He noted that he was directed to put these figures together by the Board; however, there is no need to proceed any further and make changes to the proposed budget. He noted that he could ask the actuary for a January 1, 2010 valuation but it would cost \$2,700 to do a new valuation. He noted that there is no staff recommendation, noting that the 2007 MMO amount has been included in the proposed 2010 budget.

Mr. Crissman noted that a decision must be made by the end of the month. Mr. Wolfe noted that he would place a resolution on the agenda for the January 19th meeting to do something. Mr. Seeds noted that the past practice has been to eliminate contributions for the police pension. Mr. Wolfe noted that he would not be able to provide a new MMO for the meeting on January 19th.

Mr. Hornung suggested if the 5% police pension contribution is required in 2011; the police would bump up their salary request for their negotiations in 2011. He noted that he did not feel that the next contract will go easily. He questioned when the last time a contract went to arbitration. Mr. Wolfe answered that it was the contract before the current contract. Mr. Crissman noted that police officers should be paying towards their pensions. Mr. Hornung and Mr. Seeds agreed. Mr. Crissman suggested that they should be required to make a 2.5% contribution.

Mr. Hornung questioned if the Township could execute an outside pension. Mr. Wolfe answered no, noting that it is a defined benefit required by law. Mr. Stine noted that the police officers are permitted to participate in a 457 Plan, but the Township pension plan is required.

Mr. Hawk questioned Mr. Blain if he was counting on the stock market for the pension plans to improve. Mr. Blain noted that the likelihood is that the market will stabilize; however, he did not think that it would have a 35% growth, more likely 5% growth. Mr. Hawk suggested that the stock market should reach the 1100 level. Mr. Wolfe noted that the stock market had a good year last year, however, it did not make up for all its losses. Mr. Hawk suggested that it probably made up half of what it lost. Mr. Wolfe noted that he would write a resolution and it could be amended on the floor.

Mr. Blain noted that he would be cautious as to how the Board approaches this matter, since it means taking 5% of someone's paycheck, and the valuation does not take into account the crazy swing that occurred with the market place. He noted that taking the money from the police officers would be a huge public relations issue. He noted that he would want to approach the police unit, far in advance, to provide a warning before taking contributions from them. Mr. Hornung noted that the police officers received a 3% pay raise. He noted if the Township assessed a 2.5% deduction; the officers would have more of a raise than any other group of employees. He noted, at some point in time, there has to be an understanding that the pension plans are not free. Mr. Blain noted that he agreed and he stated that he thinks the Township should be receiving contributions, but he is concerned with the timing. Mr. Wolfe noted that the Township could choose to assess contribution anytime it chooses. Mr. Seeds suggested that 2.5% should be contributed on April 1, 2010. Mr. Wolfe noted that his only recommendation is that if it was decided to require police contributions, he would provide significant notice before doing so.

Mr. Crissman noted that when it comes to salary negotiations, the employees should know that the administrators received no raises this year. Mr. Hornung noted if the Board makes the police provide 3% pension contributions next year, the police will automatically add that 3% to what they are looking for in pay increases. Mr. Wolfe noted that the numbers will not change and the police will have to make contributions next year, since the Township, by law, will have to use the valuations for January 2009, either the straight rate or the smoothed rate, and it would have to be implemented prior to negotiations. He noted that the Township would have to come up with \$1.25 million for next year's budget, and if there are no employee contributions, then the Township's share would rise significantly. Mr. Hornung noted if the police get a 1% increase in their salaries as a result of having to make pension payments, then that 1% would continue to be compounded year after year. He suggested that requiring the police to make contributions in 2011, the same year of negotiations, may provide an arbitrator the opportunity to award a higher increase in salaries. Mr. Wolfe noted that this the first time the Township ever had an opportunity to get something from the police without negotiating. Mr. Seeds noted, in the long run, the Township is fighting for the police as it is their pension plan and there has to be enough money in the plan to make the pension payments.

Mr. Hawk suggested that Mr. Wolfe should write the resolution eliminating police contributions in 2010. Mr. Crissman noted if that is the proposal he would vote no. Mr. Blain agreed with the Mr. Hawk. Mr. Blain questioned what Mr. Crissman proposes. Mr. Crissman stated that he would request a 2.5% contribution for 2010 starting in April or May to meet the deficit of \$75,000, and explain that the contributions are needed for that purpose noting that the Township has the right to do it. He stated that employees should be paying towards their retirement. He noted that he would have no problem with telling the police that it may have to go to 5% next year to meet the obligations. Mr. Hornung noted that that approach makes more sense. Mr. Seeds agreed with Mr. Crissman noting that the Township does not have much choice. Mr. Wolfe noted that the Board does have a choice and it would not have to do it. Mr. Hawk noted that Mr. Crissman's argument makes a lot of sense. Mr. Hawk noted that he might be counting too much on the stabilization of the stock market.

Mr. Wolfe noted that there are two ways to look at the contribution issue. He noted that the police way is to say that for the police plan, the MMO is \$715,217 and the Township by its prior practice, although it is not required to, has always put the Act 205 money, \$640,000 in the police pension plan and funded the non-uniform plan out of tax revenues. He noted there is a difference between the two plans in the amount of \$75,217. He noted that the Board can determine how to delegate the State Aid. He noted that the total municipal obligation is \$1.224 million, with \$640,000 from State Aid, \$78,600 from employee contributions, providing a deficit of \$504,698, using the 2009 Actuarial Valuation. He noted if you use the 2007 Actuarial Valuation the deficit is minor. Mr. Blain noted that the Township has the option to use either valuation. Mr. Wolfe noted that the Township has a programmed process that is very detailed, and is defined by State law, and it must follow it. Mr. Blain noted if the Township uses the 2007 numbers there is more than enough money.

Mr. Hornung questioned Mr. Blain if he was in favor of no contributions. Mr. Blain answered yes. Mr. Hornung questioned Mr. Hawk, and he stated that he does not want contributions. Mr. Seeds stated that he could go either way, but he noted that the police need to make contributions next year. Mr. Crissman noted that he did not agree. Mr. Hornung noted that he would go for no contributions. Mr. Wolfe stated that he would prepare the resolution for no contributions. Mr. Crissman stated that he would vote no for the resolution.

“Otta Know” Presentation: Public Works Department efficiencies gained
through new fall leaf collection equipment

Mr. Wolfe noted that the Township purchased two trucks, one for the Public Works Department using Act 904 funds, and the second is a Sewer Department truck that was outfitted with vacuum equipment, that was borrowed from the Sewer Department during the leafing season. He noted that the Township now has two trucks that are one-operator vehicles that carry a significantly higher capacity than the four-or five-man crew vehicles did. He explained that the Public Works Department was able to finish the leafing operations by mid-December, and no overtime was used. He noted the Township saved \$25,000 in overtime costs by not working four Saturdays.

Mr. Hornung noted that the fall leaf operations have always been the Township’s highest complaint category, and there were very few complaints this year. Mr. Wolfe noted that the weather and timing for the leaves to fall also helped. Mr. Crissman questioned if the Public Works Department made two runs in the Township for leaf removal. Mr. Wolfe answered yes. Mr. Crissman noted that he heard nothing but positive comments.

Adjournment

There being no further business, Mr. Crissman made a motion to adjourn the meeting. Mr. Blain seconded the motion, and the meeting adjourned at 10:00 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

Gary A. Crissman
Township Secretary