

# BOARD OF SUPERVISORS



## WORKSHOP

### AGENDA

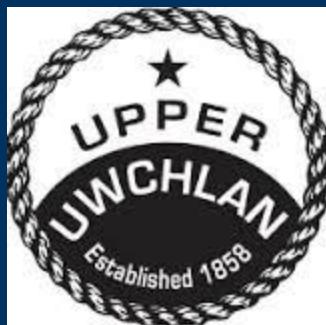
**May 14, 2019**

4:00 p.m.

LOCATION: Temporary Township Administration Office  
415 Eagleview Boulevard, Suite 116  
Exton, PA 19341

I. Call to Order	Packet Page #
A. Salute to the Flag	
B. Moment of Silence	
C. Inquire If Any Attendee Plans to Audio or Video Record the Meeting	
II. Bond Refunding Review, Market Update – Proposal	2
Presentation by Dan O'Brien, Director, RBC Capital Markets	
III. Byers Station Parcel 5C Commercial Lot – Revised Alternate PRD Plan – Concept	15
Introduction by Bob Dwyer, Land Trust Properties, of a Concept Plan proposing 23,780 SF of commercial/retail/office space and 55 townhomes on Byers Station Parcel 5C Commercial Lot – along Station Boulevard between Route 100 and Graphite Mine Road.	
IV. Letter of Agreement - East Brandywine Fire Department Funding Agreement – Consider Execution of Agreement	16
V. Upcoming Events:	May 20, 2019 7:00 p.m. Conditional Use Hearing, Board of Supervisors Meeting Applicant: Christopher and Erica Vail
	June 11, 2019 4:00 p.m. Board of Supervisors Workshop
	June 15, 2019 6:00 p.m. 11 <sup>th</sup> Annual BLOCK PARTY
VI. Open Session	
VII. Adjournment	
VIII. Executive Session:	Personnel, Legal matters

# Refunding Review & Market Update presented to Upper Uwchlan Township, Chester County, PA



May 8, 2019

**STRICTLY PRIVATE AND CONFIDENTIAL**

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**RBC Capital Markets**

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1. Financing Review
2. Market Update

# Financing Review

## SECTION 1



**RBC Capital Markets**

## Existing Debt Profile

Upper Uwchlan Township - General Obligation Debt Service							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Period Ending	Series of 2014 (GO Bonds-Sewer)	Fulton Bank Loan Twp. Gen. Fund	2019 GO Bonds Sewer Portion	2019 GO Bonds Township Portion	(Columns 2 + 4) Total Sewer	(Columns 3 + 5) Total Twp.	(Columns 6 + 7) Combined Total
12/31/2019	369,213	55,458	190,681	314,850	559,894	370,309	930,203
12/31/2020	366,812	55,458	237,494	353,375	604,306	408,833	1,013,139
12/31/2021	368,013	55,458	236,744	354,500	604,757	409,958	1,014,715
12/31/2022	369,112		235,994	410,500	605,106	410,500	1,015,606
12/31/2023	364,863		235,244	410,000	600,107	410,000	1,010,107
12/31/2024	365,262		239,344	413,250	604,606	413,250	1,017,856
12/31/2025	365,240		238,294	411,200	603,534	411,200	1,014,734
12/31/2026	364,885		237,244	409,000	602,129	409,000	1,011,129
12/31/2027	369,188		235,844	409,200	605,032	409,200	1,014,232
12/31/2028	368,000		234,444	409,000	602,444	409,000	1,011,444
12/31/2029	368,800		233,044	413,400	601,844	413,400	1,015,244
12/31/2030	369,200		231,644	412,200	600,844	412,200	1,013,044
12/31/2031	369,200		235,244	410,600	604,444	410,600	1,015,044
12/31/2032	368,800		233,644	408,600	602,444	408,600	1,011,044
12/31/2033	368,000		237,044	411,200	605,044	411,200	1,016,244
12/31/2034	366,800		235,244	413,200	602,044	413,200	1,015,244
12/31/2035	365,200		238,444	409,600	603,644	409,600	1,013,244
12/31/2036	368,200		236,444	410,600	604,644	410,600	1,015,244
12/31/2037	365,600		234,444	411,000	600,044	411,000	1,011,044
12/31/2038	367,600		232,444	410,800	600,044	410,800	1,010,844
12/31/2039	364,000		240,444		604,444		604,444
12/31/2040			603,119		603,119		603,119
12/31/2041			601,650		601,650		601,650
12/31/2042			604,600		604,600		604,600
12/31/2043			601,200		601,200		601,200
12/31/2044			602,200		602,200		602,200
12/31/2045			602,400		602,400		602,400
12/31/2046			601,800		601,800		601,800
12/31/2047			600,400		600,400		600,400
12/31/2048			603,200		603,200		603,200
	<b>7,711,988</b>	<b>166,375</b>	<b>10,329,975</b>	<b>8,006,075</b>	<b>18,041,963</b>	<b>8,172,451</b>	<b>26,214,414</b>
<b>Original Par Amount:</b>	\$5,955,000	\$262,623	\$5,280,000	\$5,470,000			
<b>Par Outstanding:</b>	\$5,450,000	\$207,185	\$5,280,000	\$5,470,000			
<b>Call Provision:</b>	12/01/2019	N/A	06/01/2026	06/01/2026			
<b>Maturity Date:</b>	12/01/2039	2021	12/01/2048	12/01/2038			
<b>Final Coupon:</b>	4.000%	2.790%	4.000%	4.000%			
<b>Purpose:</b>	NM (Sewer)	Street Sweeper Lease Payments	NM - Sewer Projects	NM - Twp. Bldng. Projects			
<b>Self-Liquidating:</b>	Yes	No	Yes	No	Yes	No	Partially
<b>Bank Qualified:</b>	Yes	Yes	No	No			
<b>Notes:</b>							

NM=New Money; CR=Current Refunding; AR=Advance Refunding

Note: Yearly debt service amounts represent total debt service paid during the year.

## Executive Summary

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- 2014 General Obligation Bonds
  - Original Par Amount: \$5,955,000
  - Outstanding Par Amount: \$5,275,000
  - Outstanding Callable Par Amount: \$5,090,000
  - Call Date: 12/1/19
  - Purpose: Purchase of sewer capacity and construction of sewer infrastructure
  - Self-Liquidating (sewer revenues)
  - Bank-Qualified
  - Final Maturity: 12/1/39
  - Final Coupon: 4.00%
  - The Township is rated “Aa1” by Moody’s
- Refunding Review: Based on estimated current market conditions and assuming a bond pricing on or around 8/1/19, a bank-qualified current refunding of the callable 2014 Bonds would produce **net present value savings of \$380,853, or 7.5% of refunded principal amount. Budgetary/Cash Flow savings would total approximately \$490,000 (9.6%)**, averaging approximately \$23,000 per year through 2039 if savings are realized on a level basis

NOTE: Refunding review assumes substantially the same structure as the refunded obligation, and includes the effect on savings across a range of interest rates. Interest rates are based on estimated current market conditions and are subject to change. Information regarding bank qualification is subject to the opinion of bond counsel.

## Financing Review – Bank-Qualified Current Refunding of Callable 2014 Bonds

Summary of Refunding Results	
Pricing Date	08/01/2019
Settlement Date	09/01/2019
Call Date	12/01/2024
Par Amount of Refunded Bonds	\$ 5,090,000
Par Amount of Refunding Bonds	\$ 5,120,000
True Interest Cost (TIC)	2.87%
<b>Present Value Savings (\$)</b>	<b>\$ 380,853</b>
<b>Present Value Savings (%)</b>	<b>7.48%</b>
Sources and Uses of Funds	
<b>Sources:</b>	
Par Amount	\$ 5,120,000
Original Issue Premium	117,354
<b>Total Sources</b>	<b>\$ 5,237,354</b>
<b>Uses:</b>	
Refunding Deposit	\$ 5,147,562
Estimated Costs of Issuance (including UW fee)	85,720
Additional Proceeds	4,073
<b>Total Uses</b>	<b>\$ 5,237,354</b>
Interest Rate Sensitivity Analysis	
Present Value of 0.01% (1 bp) change	\$3,265

Cash Flow Savings				
FY Ending	Prior D/S	Refunding D/S	Savings	PV Savings
12/31/2019	88,406	65,056	23,350	23,190
12/31/2020	366,813	344,800	22,013	21,381
12/31/2021	368,013	344,250	23,763	22,456
12/31/2022	369,113	346,650	22,463	20,680
12/31/2023	364,863	343,650	21,213	19,029
12/31/2024	365,263	340,450	24,813	21,649
12/31/2025	365,240	342,050	23,190	19,714
12/31/2026	364,885	341,550	23,335	19,298
12/31/2027	369,188	344,800	24,388	19,617
12/31/2028	368,000	342,750	25,250	19,757
12/31/2029	368,800	345,550	23,250	17,702
12/31/2030	369,200	348,050	21,150	15,670
12/31/2031	369,200	345,250	23,950	17,230
12/31/2032	368,800	347,300	21,500	15,050
12/31/2033	368,000	344,050	23,950	16,283
12/31/2034	366,800	340,650	26,150	17,272
12/31/2035	365,200	342,100	23,100	14,840
12/31/2036	368,200	343,250	24,950	15,573
12/31/2037	365,600	344,100	21,500	13,049
12/31/2038	367,600	344,650	22,950	13,533
12/31/2039	364,000	339,900	24,100	13,808
<b>Total</b>	<b>\$ 7,431,181</b>	<b>\$ 6,940,856</b>	<b>\$ 490,325</b>	<b>\$ 376,780</b>

Savings Summary	
PV of savings from cash flow	\$ 376,780
Additional Proceeds	4,073
<b>Net PV Savings</b>	<b>\$ 380,853</b>

NOTE: Refunding review assumes substantially the same structure as the refunded obligation, and includes the effect on savings across a range of interest rates. Interest rates are based on estimated current market conditions and are subject to change. Information regarding bank qualification is subject to the opinion of bond counsel.

## Estimated/Potential Financing Timeline

Date	Activity
5/20	-Township Board Meeting – RBCCM Presentation
5/28	-Authority Board Meeting - RBCCM Presentation - TBD
6/10 – Week of	-RBCCM begins preparation of Preliminary Official Statement (POS) and sends information request to Township and Authority for updates
6/24 – Week of	-Township and Authority provide updated information for POS; RBCCM circulates draft POS to working group; RBCCM submits to Moody's for rating; Bond Counsel advertises in local newspaper Township's intention to adopt Bond Ordinance
6/17	-Township Board meeting – Presentation of Parameters Bond Purchase Proposal and adoption of Parameters Bond Ordinance.
6/17 – Week of	-Bond Counsel advertises in local newspaper Township's adopted Bond Ordinance
7/8 – Week of	-Rating preparation call with RBCCM/Township; rating call with Moody's
7/15 – Week of	-Receive rating report from Moody's
7/22 – Week of	-POS is published/printed and RBCCM begins marketing Bonds to investors
7/29 – Week of	-Price Bond issue (sell to investors and lock-in interest rates) -Distribute draft Official Statement (OS) -File debt proceedings with the Department of Community & Economic Development (DCED) including application to exclude the Bonds as self-liquidating from dedicated sewer revenues
8/5 – Week of	-Print and mail OS
8/26 – Week of	-Distribute closing documents; receive DCED approval
9/2 – Week of	-Bond Settlement/Closing

# Market Update

## SECTION 2



**RBC Capital Markets**

## Monday Morning Market Update

- Softer inflation was the market's main focus of last week's FOMC meeting, although the Fed views that trend as transitory.
- The FOMC statement noted "the labor market remains strong and economic activity rose at a solid rate" since March.
- However, household spending and business investment slowed in the first quarter, and inflation declined.
- Fed funds futures are pricing in an 80% chance of a rate cut by the end of 2019.
- The Fed cut Interest on Excess Reserves by 5bp, which was explained by Powell as a benign technical adjustment.
- Non-farm payrolls rose a robust 263k in April, and the unemployment rate declined from 3.8% to 3.6%.
- Treasury auctions this week include \$38bn 3s Tuesday, \$27bn 10s Wednesday, and \$19bn 30s Thursday.
- Economic highlights include PPI, CPI, jobless claims, and inventories.
- Municipals outperformed Treasuries by 1-2 ratios across the curve last week.
- Municipal supply totaled \$6.6bn last week, and gas prepay deals comprised \$1.7bn of the calendar.
- This week's calendar is expected to total \$6.7bn, led by Los Angeles USD and Commonwealth of Massachusetts.
- Municipal bond funds reported their 17th straight week of inflows, taking in \$1.2bn last week.
- On a cumulative basis, weekly and monthly-reporting funds have seen inflows of nearly \$30bn this year.
- The SIFMA index dropped 18bp last week from 2.30% to 2.12%.

Interest Rates Last Week:				
	26-Apr	03-May	Change (bp)	Change (bp)
UST 5	2.29	2.33	4	-19
UST 10	2.50	2.53	3	-16
UST 30	2.92	2.92	0	-10
MMD 5	1.64	1.63	-1	-31
MMD 10	1.87	1.84	-3	-44
MMD 30	2.55	2.52	-3	-48

Ratios Last Week:				
	26-Apr	03-May	Change (bp)	Change (bp)
5yr Ratio	72%	70%	-2%	-7%
10yr Ratio	75%	73%	-2%	-12%
30yr Ratio	87%	86%	-1%	-13%

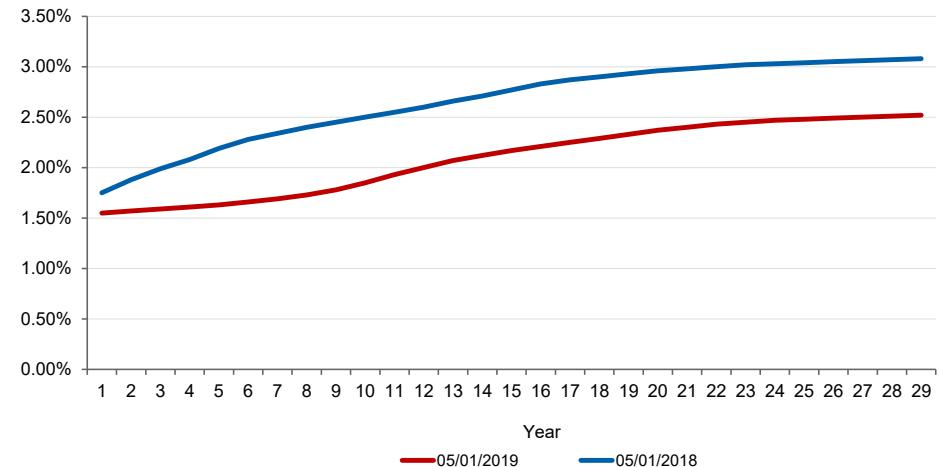
Supply YTD:	
Week of 5/06	Supply (\$MM)
Negotiated	4,112
Competitive	2,619
<b>Total</b>	<b>6,731</b>
Week of 4/29	Supply (\$MM)
Negotiated	4,359
Competitive	2,244
<b>Total</b>	<b>6,603</b>
30-Day Visible	Supply (\$MM)
Current	9,980
Last Week	8,847
Volume Summary	Supply (\$MM)
2019 Issuance YTD	112,473
2019 YOY Change	8%
2019 Average Week	5,932
2018 Average Week	6,116
2018 Long-Term Issuance	318,028
2018 YOY Change	-22%

# Long-Term Market

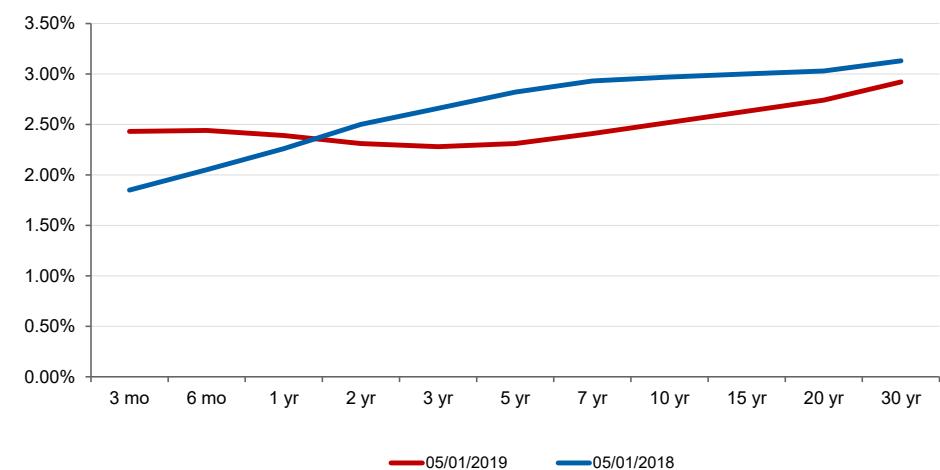
## Market Overview

- Fixed income markets were mixed last week as the midweek FOMC meeting and the Friday payroll report kept rates in a narrow range most of the week. A heavy economic calendar sent conflicting signals on the economy and provided little direction, until the April employment number surprised to the upside. Municipalities continued to see very strong demand thanks to continued heavy inflows into municipal bond funds. This, combined with another week of moderate issuance, helped drive municipal/Treasury yield ratios to historically low levels in the intermediate to long end of the maturity spectrum. By the end of the week, US Treasuries were three basis points higher in the five and ten year ranges and unchanged in the thirty year range. The Municipal Market Data AAA yield closed the week unchanged in the two year range, one basis points lower in the five year range, and three basis points lower in the ten and thirty year ranges. Municipal/Treasury yield ratios closed the week one to two percentage points lower than the prior week's levels across the maturity spectrum.

### Municipal GO “AAA” MMD Yield Curve Changes



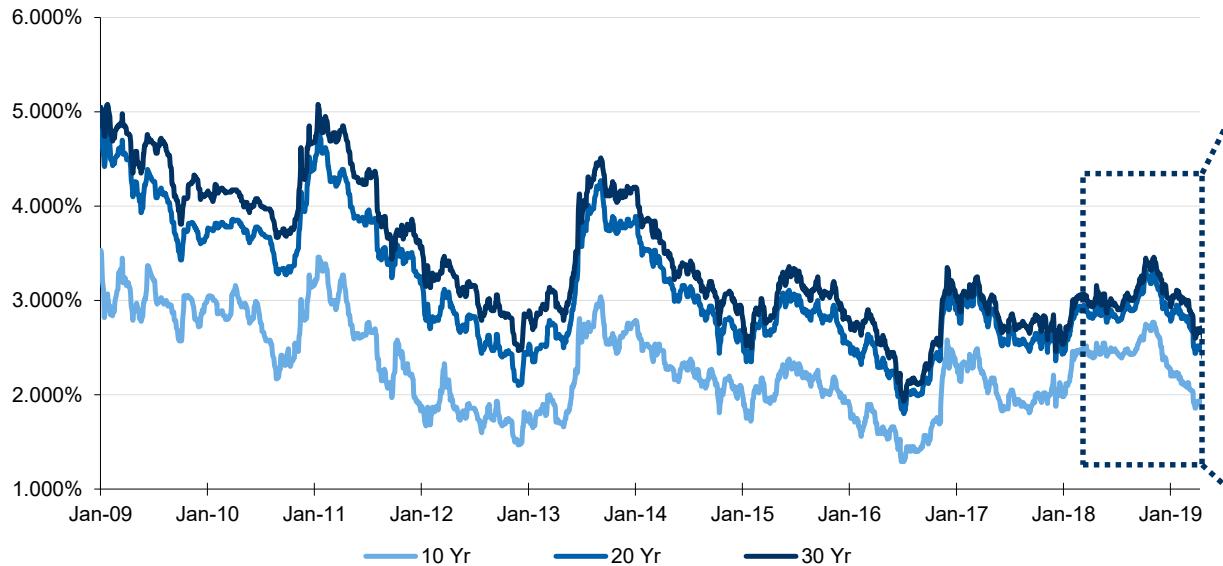
### U.S. Treasury Yield Curve Changes



## Current Municipal Market Conditions: “AAA” MMD

After closing at 2.55% the previous week, the 30-year “AAA” MMD decreased 3 bps from April 26 – May 3, closing at the current rate of 2.52%

### “AAA” MMD January 1, 2009 to Present



### Shift in “AAA” MMD Since May 2018



### January 1, 2009 to Present

	10 Year	20 Year	30 Year
Maximum	3.530%	4.890%	5.080%
Minimum	1.290%	1.800%	1.930%
Current	1.840%	2.360%	2.520%

### Shift in 30-year “AAA” MMD

2012	2013	2014	2015	2016	2017	2018
-0.740%	1.330%	-1.340%	-0.010%	0.270%	-0.510%	0.470%

### May 1, 2018 to Present

	10 Year	20 Year	30 Year
Maximum	2.770%	3.310%	3.460%
Minimum	1.840%	2.360%	2.520%
Average	2.358%	2.884%	3.028%

Source: TM3, Thomson Reuters

10, 20, and 30 year “AAA” MMD shown to represent different average lives of municipal transactions

Rates as of May 3, 2019

# Interest Rate Forecast

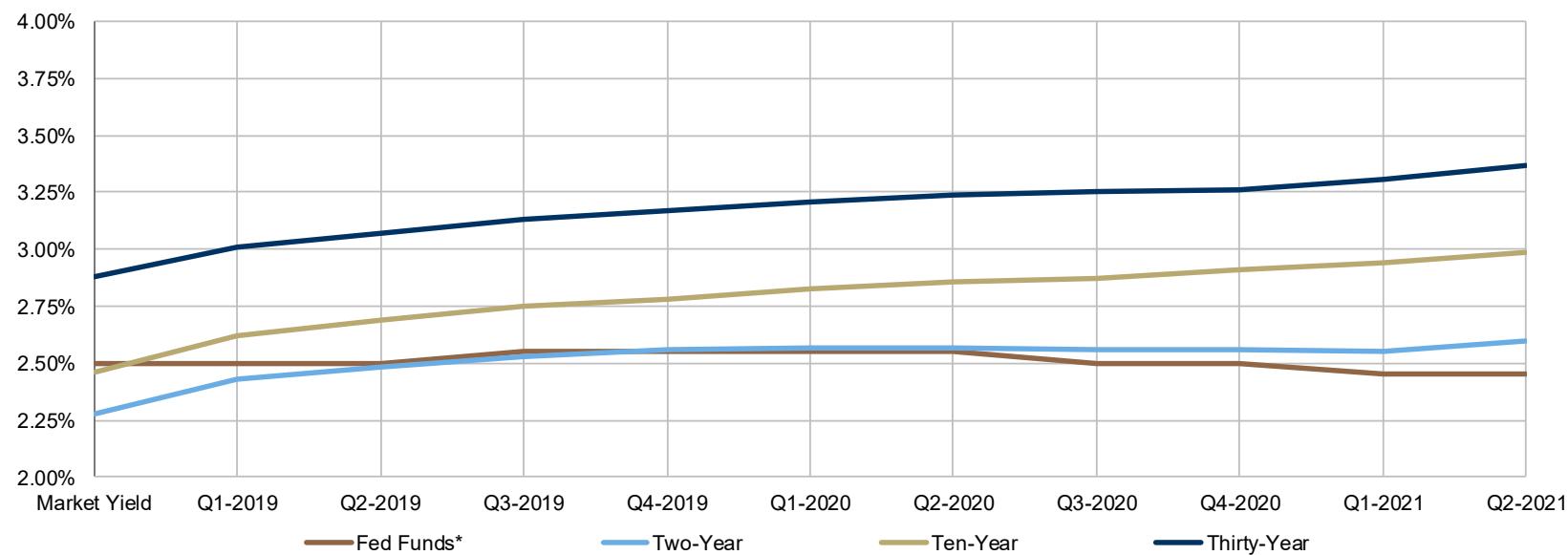
## Bloomberg Median Taxable Interest Rate Forecast <sup>[1]</sup>

As of May 7, 2019

	Current Market Yield	Forecast									
		Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	Q1-2021	Q2-2021
Fed Funds*	2.50%	2.50%	2.50%	2.55%	2.55%	2.55%	2.55%	2.50%	2.50%	2.45%	2.45%
Two-Year	2.28%	2.43%	2.48%	2.53%	2.56%	2.57%	2.57%	2.56%	2.56%	2.55%	2.60%
Ten-Year	2.46%	2.62%	2.69%	2.75%	2.78%	2.83%	2.86%	2.87%	2.91%	2.94%	2.99%
Thirty-Year	2.88%	3.01%	3.07%	3.13%	3.17%	3.21%	3.24%	3.25%	3.26%	3.31%	3.37%

<sup>[1]</sup> Consists of economic forecasts and projections from approximately 60 investment banking firms and financial institutions.

\*For these purposes, indicates upper bound of Fed Funds range.



Recent Fed Funds Rate History											
Lower Bound			Upper Bound			Lower Bound			Upper Bound		
July 2006 - Sept. 2007:	5.25%	- to -	5.25%	December 2017:	1.25%	- to -	1.50%	December 2017:	1.25%	- to -	1.50%
December 2008:	0.00%	- to -	0.25%	March 2018:	1.50%	- to -	1.75%	March 2018:	1.50%	- to -	1.75%
December 2015:	0.25%	- to -	0.50%	June 2018:	1.75%	- to -	2.00%	June 2018:	1.75%	- to -	2.00%
December 2016:	0.50%	- to -	0.75%	September 2018:	2.00%	- to -	2.25%	September 2018:	2.00%	- to -	2.25%
March 2017:	0.75%	- to -	1.00%	December 2018:	2.25%	- to -	2.50%	December 2018:	2.25%	- to -	2.50%
June 2017:	1.00%	- to -	1.25%								

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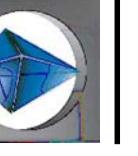
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10 of 10

— FOR —  
YERS RETAIL  
QUISITION, L.P.  
AL PLAN FOR LOT

WHITE MINE ROAD &  
ATION BOULEVARD  
R UWCHLAN TOWNSHIP  
HESTER COUNTY  
WEALTH OF PENNSYLVANIA

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**BOHLER**  
ENGINEERING

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ANOR DRIVE, SUITE 200  
ALFONT, PA 18914  
one: (215) 996-9100  
x: (215) 996-9102

REARDEN  
PROFESSIONAL ENGINEER  
VANIA LICENSE No. PE073243  
EV LICENSE No. 24GE04694500

E:  
**CONCEPT  
PLAN  
'B'  
RESIDENTIAL-COMMERCIAL)**  
NUMBER:  
**1**

## RESIDENTIAL CALCULATIONS

PROPOSED UNITS:	55 UNITS
REQUIRED PARKING:	3 SPACES PER UNIT $55 \times 3 = 165$ SPACES
PROVIDED PARKING:	165 SPACES (INCLUDES 1 SPACE IN GARAGE PER UNIT, 2 SPACES IN DRIVEWAY)

## COMMERCIAL CALCULATIONS

PROPOSED FAST FOOD:	2,000 S.F.
PROPOSED RETAIL:	9,980 S.F.
PROPOSED OFFICE:	11,800 S.F.

## **PARKING REQUIREMENTS**

**REQUIRED**

COMMERCIAL / RETAIL:	5 SPACES / 1,000 SF
OFFICE:	5 SPACES / 1,000 SF
EATING AND DRINKING ESTABLISHMENTS:	20 SPACES /1,000 SF + 1 SPACE / EMPLOYEE ON HIGHEST SHIFT

## TOTAL REQUIR

COMMERCIAL / RETAIL:	$9,980 \times 5 / 1,000 = 50$ SPACES
OFFICE:	$11,800 \times 5 / 1,000 = 59$ SPACES
EATING AND DRINKING ESTABLISHMENTS:	$2,000 \times 20 / 1,000 + 7 = 47$ SPACES

### TOTAL REQUIREMENTS

TOTAL PROVIDED: 150 SPACES (INCLUDING 6 A.D.A. SPACES)

**IMPERVIOUS AREA:**  
LOT AREA: 172,996 S.F. (3.971 Ac.)  
MAX. IMPERVIOUS AREA: 60% (103,797 S.F.)  
PROVIDED IMPERVIOUS AREA: 53.5% (92,593 S.F.)  
REMAINING IMPERVIOUS AREA: 10,635 S.F.



# UPPER UWCHLAN TOWNSHIP

## MEMORANDUM

### ADMINISTRATION

**TO:** **Board of Supervisors**

**FROM:** **Cary B. Vargo**  
**Township Manager**

**RE:** **East Brandywine Fire Department Agreement – Extension**

**DATE:** **May 9, 2019**

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Attached for your review and consideration is an extension letter specific to the agreement with East and West Brandywine Township's and the funding of the East Brandywine Fire Department. This letter extends the notice of non-renewal deadline to July 1, 2019, allowing for continued negotiations specific to the funding of the EBFD.

**I would respectfully request that the BOS authorize the Chairman to sign the attached letter.**

ERIC M. BROWN

embrown@sianalaw.com

April 24, 2019

Kristin S. Camp, Esquire  
Buckley, Brion, McGuire, Morris & Sommer LLP  
118 W. Market Street, Suite 300  
West Chester, PA 19382-2928

**Re: Letter Agreement between West Brandywine Township, East Brandywine Township and Upper Uwchlan Township to Modify the October 6, 2017 Fire Department Funding Agreement**

Dear Kristin:

As you know, West Brandywine Township, East Brandywine Township and Upper Uwchlan Township are parties to an “Agreement to Fund East Brandywine Fire Company”, dated October 6, 2016 (the “Agreement”). Paragraph 11 of the Agreement requires any amendment or modification to the Agreement be in writing, dated and executed by all parties. Paragraph 12 provides the notice of non-renewal of the Agreement must be given to all parties no later than November 1, 2018. The notice of non-renewal deadline was extended to May 1, 2019 by written agreement of the parties.

The correspondence serves to notify East Brandywine Township and Upper Uwchlan Township that the Board of Supervisors of West Brandywine Township has voted to extend the notice of non-renewal deadline to July 1, 2019 for the purpose of affording the parties additional time to negotiate a new funding formula.

In the event all parties either fail or refuse to ratify West Brandywine Township’s request to extend the deadline to provide notice of non-renewal until July 1, 2019, this correspondence shall constitute formal notice by West Brandywine Township to all other parties of its intent to terminate the Agreement at the conclusion of the 2019 budget year in accordance with Paragraph 12 of the Agreement.

West Brandywine Township asks that each party to the Agreement acknowledge its agreement to the extension of the deadline by executing this Letter Agreement in the space provided. Should you have any questions, comments or concerns, please contact me.

Very truly,



Eric M. Brown

# SIANA BELLWOAR

ATTORNEYS AT LAW

To: Kristin S. Camp, Esquire

Re: Agreement to Fund East Brandywine Fire Company

Date: April 24, 2019

Page: 2

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IN WITNESS THEREOF, and intending to be legally bound hereby, each party hereby acknowledges its agreement to amend Paragraph 12 of the Agreement so that the new deadline to provide notice of non-renewal shall be July 1, 2019.

## WEST BRANDYINE TOWNSHIP:

By: \_\_\_\_\_  
John Cassels, Chairman

Date: \_\_\_\_\_

## EAST BRANDYWINE TOWNSHIP:

By: \_\_\_\_\_  
Kyle P. Scribner, Chairman

Date: \_\_\_\_\_

## UPPER UWCHLAN TOWNSHIP:

By: \_\_\_\_\_  
Guy A. Donatelli, Chairman

Date: \_\_\_\_\_

**SIANA**  **BELLWOAR**  
ATTORNEYS AT LAW

ERIC M. BROWN

embrown@sianalaw.com

October 18, 2018

Kristin S. Camp, Esquire  
Buckley, Brion, McGuire, Morris & Sommer LLP  
118 W. Market Street, Suite 300  
West Chester, PA 19382-2928

**Re: Letter Agreement between West Brandywine Township, East Brandywine Township and Upper Uwchlan Township to Modify the October 6, 2017 Fire Department Funding Agreement**

Dear Kristin:

This follows our telephone conversation of October 17, 2018 and joint meeting of East and West Brandywine Township on October 16, 2018, and serves to confirm an amendment to the Agreement to Fund East Brandywine Fire Company, dated October 6, 2016, between West Brandywine Township, East Brandywine Township and Upper Uwchlan Township (the "Agreement").

The parties acknowledge that Paragraph 11 of the Agreement requires any amendment or modification to the Agreement be in writing, dated and executed by all of the parties. This correspondence (the "Letter Agreement") serves to modify the Agreement as follows:

1. For the 2019 budget year, West Brandywine Township shall contribute \$130,000; East Brandywine Township shall contribute \$ 193,572; and Upper Uwchlan Township shall contribute \$ 13,608 to the East Brandywine Township Fire Department. These payments shall be deemed to fully satisfy their respective obligations under the Agreement for the 2019 budget year.

2. The deadline to notify all other parties of the termination of the Agreement as set forth in Paragraph 12 of the Agreement shall be extended by six (6) months, from November 1, 2018 to May 1, 2019. The parties acknowledge that this six (6) month extension is intended to afford the parties additional time to explore an alternative funding formula mutually acceptable to all parties.

3. All other terms and conditions in the Agreement remain in full force and effect.

4. In the event all parties either fail or refuse to ratify this Letter Agreement for the purpose of extending by six months the deadline to notify of its desire not to renew the Agreement, this correspondence shall constitute formal notice by West Brandywine Township to all other parties of its intent to terminate the Agreement at the conclusion of the 2018 budget year in accordance with Paragraph 12 of the Agreement.

# SIANA BELLWOAR

ATTORNEYS AT LAW

To: Kristin S. Camp, Esquire

Re: Agreement between West Brandywine and East Brandywine Township

Date: October 18, 2018

Page: 2

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5. This Letter Agreement may be signed in counterparts.

I ask that each party to the Agreement acknowledge its acceptance of the modification of the Agreement by executing this Letter Agreement in space indicated below. Should you have any questions, comments or concerns, please contact me.

Very truly,



Eric M. Brown

cc: Cary B. Vargo, Upper Uwchlan Township

IN WITNESS THEREOF, and intending to be legally bound hereby, each party hereby acknowledges its agreement to amend the Agreement in accordance with the terms set forth herein.

## WEST BRANDYINE TOWNSHIP:

By:

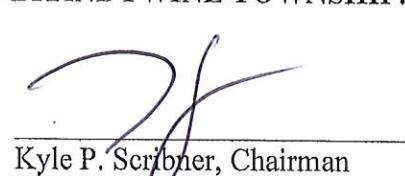


John Castle, Chairman  
Cassels 11/7/2019

Date: 11/7/2019

## EAST BRANDYWINE TOWNSHIP:

By:

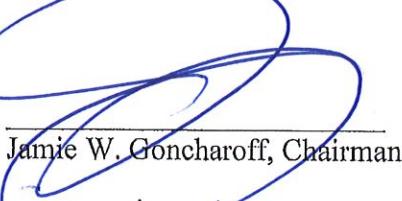


Kyle P. Scribner, Chairman

Date: 12/6/18

## UPPER UWCHLAN TOWNSHIP:

By:



Jamie W. Goncharoff, Chairman  
12/17/2018

Date: 12/17/2018

## **AGREEMENT TO FUND EAST BRANDYWINE FIRE COMPANY**

This Agreement is entered into this 6th day of October, 2016, by and between East Brandywine Township (hereinafter referred to as "EBT"), West Brandywine Township (hereinafter referred to as "WBT") and Upper Uwchlan Township (hereinafter referred to as "UUT"), all Second Class Townships existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as the "Parties"):

WHEREAS, each of the parties hereto has a portion, or, in the case of EBT, all, of its residents served by the East Brandywine Fire Company (hereinafter referred to as "EBFC") and;

WHEREAS, each of the Parties have in the past made annual contributions to EBFC;

WHEREAS, each of the Parties hereto desire to establish a fair and equitable means to apportion the total annual municipal contribution to EBFC between the parties;

NOW, THEREFORE in consideration of the mutual commitments herein set forth, the receipt, adequacy and sufficiency of which is hereby acknowledged, and intending to be legally found, it is agreed as follows:

1. Each year, not later than July 1st, the Board of Supervisors of each Party shall appoint one (1) person to a Committee (hereinafter referred to as the "Committee") to meet with and discuss the funding needs of the EBFC for the next calendar year. Each Party shall vote in direct proportion to the Party's contribution percentage of the total municipal contribution for the previous year. If a Party's contribution the previous year was forty-five percent (45%) of the total municipal contribution, that Committee member would have 45 votes.

For the first year of this agreement the Parties shall have the following votes: West Brandywine Township 40; Upper Uwchlan Township, 3; and East Brandywine Township, 57.

2. All Committee decisions shall require a vote of not less than sixty-seven (67) votes.

3. The Committee shall by August 1st review and agree upon the following factors with respect to each of the parties within the area served by EBFC: total population; total assessed value of land and improvements; and number of service calls to which EBFC responded in each municipality during the previous calendar year.

4. The Committee shall approve an annual total municipal contribution no later than September 30th of each year. To do so, the Committee shall meet with representatives of EBFC to review its proposed budget.

5. Each Party shall make their contribution in two installments, the first no later than January 31st and the second no later than July 31st, of each year.

6. The formula for apportioning each Party's share of the total annual municipal contribution shall be as follows:

$$\frac{\left( \left( \frac{mQRS}{tQRS} \right) + \left( \frac{mCFS}{tCFS} \right) + \left( \frac{mVAL}{tVAL} \right) + \left( \frac{mPOP}{tPOP} \right) \right)}{4}$$

Where:

- a. "mQRS" the sum of quick response service calls to addresses within the Party's municipal boundaries to which EBFC responded during the last full calendar year as reported by EBFC.
- b. "tQRS" is the sum of quick response service calls to which EBFC responded in the last full calendar year as reported by EBFC. "tQRS" shall not include quick response service calls to which EBFC responded that are outside the service area of EBFC, such as mutual aid.
- c. "mCFS" the sum of fire calls to addresses within the Party's municipal boundaries to which EBFC responded during the last full calendar year as reported by EBFC.
- d. "tCFS" is the sum of fire calls to which EBFC responded in the last full calendar year as reported by EBFC. "tCFS" shall not include fire calls to which EBFC responded that are outside the service area of EBFC, such as mutual aid.
- e. "mVAL" is the sum of all lot and property assessed valuations for all the parcels located in both the Party's municipal boundaries and within the EBFC service area. Assessed valuation data shall be obtained from the Chester County Geographic Information Services Department, and shall be exported on any date between January 1st and September 30th of the calendar year proceeding the calendar year for which the Party's share of contribution is being determined. In all cases, the data pertaining to all three parties shall be exported from the Chester County Geographic Information Services Department's tables on the same date. In instances where a single parcel may be in more than one municipality, the first two numbers of the unique parcel number provided by Chester County shall be used to determine to which Party that parcel's assessed valuation should be assigned.
- f. "tVAL" is the sum of all lot and property assessed valuations for all the parcels located in the EBFC service area. Assessed

valuation data shall be obtained from the Chester County Geographic Information Services Department, and shall be exported on any date between January 1st and September 30th of the calendar year proceeding the calendar year for which the Party's share of contribution is being determined. In all cases, the data pertaining to all three parties shall be exported from the Chester County Geographic Information Services Department's tables on the same date. In instances where a single parcel may be in more than one municipality, the first two numbers of the unique parcel number provided by Chester County shall be used to determine to which Party that parcel's assessed valuation should be assigned.

- g. "mPOP" is the population living within both the Party's municipal boundaries and the EBFC service area. Source data shall be the most recent decennial United States Census for tables and mapping at the Block Group level is available. For Block Groups that are bisected by fire service area boundaries, the population of the Block group shall be distributed between service areas proportionally to the number of parcels in each service area.
- h. "tPOP" is the population living within the EBFC service area. Source data shall be the most recent decennial United States Census for tables and mapping at the Block Group level is available. For Block Groups that are bisected by fire service area boundaries, the population of the Block group shall be distributed between service areas proportionally to the number of parcels in each service area.

The formula will yield a number between one (1) and zero (0), representing the proportion of that Party's total annual municipal contribution.

7. In the event the Committee is unable to agree upon the factors set forth in paragraph 3 above by August 1st the previous year's factors will be used until such time as the arbitration proceeding required by paragraph 8 below is concluded.

8. Arbitration. (a) Any controversy or claim arising out of this Agreement or any alleged breach of this Agreement shall be resolved by means of binding arbitration before a single arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association, including the Optional Rules for Emergency Measures of Protection. The arbitrator shall be a practicing attorney or retired judge with at least fifteen years total working experience as such. The parties shall have twenty (20) days after any Party requests arbitration to agree on an arbitrator. If they cannot agree on an arbitrator, a Petition for the Appointment of an Arbitrator shall be filed in the Court of

Common Pleas in the County of Chester. The arbitration shall be held in the County of Chester, PA or any other place agreed upon at the time by the parties. No demand for arbitration may be made after the date when the institution of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute of limitation. The arbitrator is not authorized to award punitive or other damages not measured by the prevailing Party's actual damages. The cost of the arbitrator shall be divided among the parties in the same percentage as their proportionate share of the total municipal contribution for the preceding year.

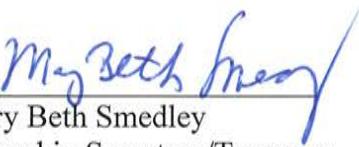
9. Within thirty (30) days after the conclusion of the arbitration required by Paragraph 8, each Party shall contribute their respective portions, and deficits resulting from the difference between the contribution made and the contribution due as a result of the arbitration decision, shall also be made.

10. The relationship between the parties shall not be deemed as a partnership or joint venture.

11. This Agreement shall not be amended or modified except in writing, dated and executed by all of the parties. Any such amendment shall require the consent of all parties.

12. This Agreement shall automatically renew each year unless one party provides written notice of non-renewal to all other parties no later than November 1, in which case the Agreement will terminate at the end of the budget year, *i.e.*, on December 31.

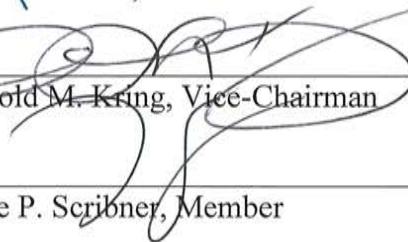
IN WITNESS THEREOF, the Parties hereto have executed this Agreement this 6<sup>th</sup> day of October, 2016.

  
Mary Beth Smedley  
Township Secretary/Treasurer

Township of East Brandywine Board of Supervisors

  
Jay G. Fischer, Chairman

  
Arnold M. Kring, Vice-Chairman

  
Kyle P. Scribner, Member

Township of Upper Uwchlan

Gwen Jonik

Gwen A. Jonik, Secretary

October 17, 2016

Guy A. Donatelli, Chairman

Kevin C. Kerr, Vice-Chairman

Jamie W. Gencharoff, Member

Township of West Brandywine Board of Supervisors

Linh Zoni  
Township Secretary

John M. M.  
Chairman

John M. M.  
Vice-Chairman

John C. C.  
Member

Township of Upper Uwchlan Board of Supervisors

Township Secretary

Chairman

Vice-Chairman

Member