

MIDDLE SMITHFIELD TOWNSHIP BOARD OF SUPERVISORS  
MIDDLE SMITHFIELD TOWNSHIP, MONROE COUNTY, PENNSYLVANIA

RESOLUTION NO. 12-2009-01

I. BACKGROUND

1. On June 13, 1988, the Township of Middle Smithfield ("Township") enacted Ordinance No. 44, which authorized the establishment of the Middle Smithfield Township Municipal Authority (the "Authority") pursuant to the provisions of the Municipality Authorities Act of 1945, Act of May 2, 1945, P.L. 382, as amended, 53 P.S. §§ 301-322.

2. The Authority was established by the Township, according to the Articles of Incorporation "to acquire, hold, construct, improve, maintain and operate, own, lease, either in the capacity of lessor or lessee, sewers, sewer systems or parts thereof and sewage treatment works, including works for treating and disposing of industrial wastes."

3. The Authority does not have any outstanding bonds, or interest due thereon, that would prohibit the immediate conveyance of the project to the Township.

4. As of December 1, 2009, the Authority has approximately \$5,201,872.73 in net assets.

5. The Authority is not involved in any joint or inter-municipal authority or related agreements.

6. The Authority only serves the Township.

II. FINDINGS

1. The Authority has served an important purpose over the past twenty-one years, but now, has outlived its usefulness. In this day and age with home foreclosures at an all-time high in Monroe County, unemployment escalating and so many residents wondering how they will pay their real estate taxes, Middle Smithfield Township municipal officials are forced to find ways to cut costs, be more efficient, and to eliminate duplication of services. The anticipated benefits to be derived from dissolving the Authority include the following:

(a). Reduce Costs and Save Money.

The dissolution of the Authority will result in reduced expenses for the Township and an anticipated net savings to the Township of approximately \$373,000.00 per year.

(b). Streamline the Land Development Process.

Instead of requiring a developer to (1) obtain separate approval from the Authority, (2) negotiate a separate agreement with the Authority for connection to the sewer system, and (3) provide a separate form of financial security to the Authority for improvements that were under the Authority's control; this can all be integrated into the standard subdivision and land development process with the Township.

(c). Eliminate bureaucracy.

Since the Township possesses the expertise and manpower to operate and maintain the sewer system and to provide for the future growth of the sewer system, the Authority is no longer necessary.

(d). Centralize the control of development.

The ultimate responsibility for long-range planning for the Township, including but not limited to, the expansion of the sewer system and wastewater planning for the Authority system as well as the remaining area of the Township through Act 537, lies with the Township, and specifically with its elected officials, the Board of Supervisors.

(e). Retire Debt and Outstanding Accounts Payable.

There are sufficient Authority funds to retire any and all outstanding debt and any and all outstanding accounts payable of Authority, resulting in substantial interest cost savings for the citizens of Middle Smithfield Township.

(f). Reduce Costs.

The dissolution of the Authority will result in reduced expenses for the Township and for developers.

(g). Simplify the Process of Dedicating Municipal Facilities.

All municipal facilities constructed by a developer will be transferred to the Township, rather than transferring some things to the Township and others to the Authority.

- (h). Consolidate Responsibility for Compliance with State and Federal Laws.

After the Authority's dissolution, the Township will have the responsibility for Act 537 requirements, Chapter 94 reports, and compliance with all other applicable state and federal laws.

2. Since the Township had the power to create the Authority, the Township also has the power, by adoption of the herein Resolutions, to immediately:

- (a). Direct the payoff of any and all outstanding debt(s) of the Authority;
- (b). Transfer all bank accounts and assets to the Township;
- (c). Assume all rights, title and interest in any and all real estate, contracts, and so forth to the Township who shall be the successor in interest to the Authority's property;
- (d). Direct the termination of any and all Authority employees effective the date of adoption of the herein Resolutions;
- (e). Prohibit the Authority from taking any action or expending any funds related to the operation, maintenance, reduction and/or expansion of the Sewer System and related facilities;
- (f). Prohibit the Authority from entering into any new contractual obligations that would obligate the Township;

(g). Assume all ownership, control, maintenance and operation of the Middle Smithfield Township sewer collection, treatment and disposal system and facilities to the Township;

(h). Direct the filing of any and all paperwork necessary to dissolve the corporation, known as the "Middle Smithfield Township Municipal Authority", with the Pennsylvania Department of State, Corporations Bureau.

### III. RESOLUTIONS

NOW, THEREFORE, be it hereby resolved, effective immediately, by the Middle Smithfield Township Board of Supervisors as follows:

1. Any outstanding debts and accounts payable, with interest if any due thereon, that remain unpaid at the time of adoption of this Resolution, including but not limited to the Subsidy Agreement executed by the Authority to repay General Bond Obligations incurred by the Township, on behalf of the Authority, shall be immediately assumed by the Township and shall be paid by the Township. Upon assumption of the Subsidy Agreement by the Township, said Subsidy Agreement is hereby terminated.

2. Any and all necessary action shall be taken to transfer, including but not limited to, all bank accounts, PLGIT accounts, and assets to the Township. All banking institutions are directed, upon presentation of this executed Resolution, to immediately make said transfers at the direction of the Township. In the event signatures are required from Authority members, said members shall immediately comply with any

request from the Township to execute any documents necessary to accomplish said transfers. The Township shall coordinate efforts with any and all banking institutions to notify all customers of the change in accounts and inform said customers accordingly.

3. All rights, title, and interest in any and all real estate, pending contracts, sewer capacity in the Fernwood Plant and the Winona Plant, wastewater treatment facilities, easements to access sewer systems, pump stations, grinder pumps, equipment, inventory, and so forth are hereby immediately assumed by the Township as successor in interest to the Authority. In the event signatures are required from Authority members, said members shall immediately comply with any request from the Township to execute any documents necessary to accomplish said transfers.

4. The Authority is hereby directed to terminate any and all of its employees upon adoption of the herein Resolutions and direct them to vacate the municipal premises, effective immediately. Any and all employees are strictly prohibited, as well as any and all Authority officers and/or members, are also strictly prohibited, from removing, including but not limited to, any records, information, documents, monies, property, or otherwise, that is not the personal property of him/her. Documents and records, include but are not limited to, contracts, studies, plans, correspondence, letters of credit, financial records and drawings in Authority's possession or owned by Authority.

5. All Authority employees and members are prohibited from accessing any and all Authority files, the TOPS program, and all other electronic documents of the Authority and/or Township.

6. The Authority, its employee(s), officer(s), member(s) and/or any person or entity acting on behalf or at the direction of the Authority, are strictly prohibited from taking action or expending any funds related to the operation, maintenance, reduction and/or expansion of the Sewer System and related facilities.

7. The Authority, its employee(s), officer(s), member(s) and/or any person or entity acting on behalf or at the direction of the Authority, are strictly prohibited from entering into any new contractual obligations related to the operation, maintenance, reduction and/or expansion of the Sewer System and related facilities.

8. All ownership, control, operation, maintenance, reduction and/or expansion of the Middle Smithfield Township Sewer System and related wastewater collection, treatment and disposal facilities are hereby assigned to the Township. In the event signatures are required from Authority members, said members shall immediately comply with any request from the Township to execute any documents necessary to accomplish said transfers.

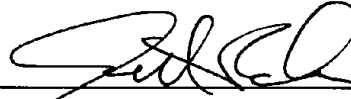
9. Any and all paperwork necessary to dissolve the corporation, known as the "Middle Smithfield Township Municipal Authority", shall be filed with the Pennsylvania Department of State, Corporations Bureau. In the event signatures are required from Authority members, said members shall immediately comply with any request from the Township to execute any documents necessary to accomplish said dissolution.

10. The responsibility for updating and implementing the Township's Act 537 Sewage Facilities Plan shall be exclusively under the control and jurisdiction of the

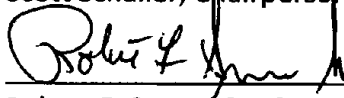
Township. The Authority shall have no responsibility for updating or implementing the Township's Act 537 Sewage Facilities Plan.

11. All funds and assets acquired by the Township pursuant to the foregoing Resolutions shall be held and utilized by the Township in connection with the operation, maintenance, improvement and future expansion of the Middle Smithfield Township sanitary sewer system and related wastewater facilities.

ENACTED AND ORDAINED, at a regular meeting of the Board of Supervisors of Middle Smithfield Township, this \_\_\_\_\_ day of December, 2009.



\_\_\_\_\_  
Scott Schaller, Chairperson/Supervisor



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Robert F. Spano, Sr., Supervisor

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Ronald L. Clewell, Supervisor

**CERTIFICATE**

I, MICHELE L. CLEWELL, Secretary to the Board of Supervisors of Middle Smithfield Township, do hereby certify that this is a true and correct copy of the Resolution adopted by the Board at a regular meeting on the 9<sup>th</sup> day of December 2009.

Township Seal



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Michele L. Clewell, Secretary