



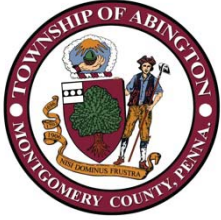
TOWNSHIP OF ABINGTON

PUBLIC AFFAIRS COMMITTEE

*John Spiegelman, Chair
Tom Bowman, Vice-Chair
Lori Schreiber
Jimmy DiPlacido
Peggy Myers*

A G E N D A **December 4, 2019** **7:00 P.M.**

-
1. CALL TO ORDER
 2. ROLL CALL
 3. CONSIDER APPROVAL OF MINUTES
 - a. Motion to approve Committee Meeting minutes of October 2, 2019
 4. PRESENTATION
 5. UNFINISHED BUSINESS
 6. NEW BUSINESS
 - a. **PA-01-121219** Consider a motion to approve the Amendment to the Memorandum of Agreement between Abington Hospital and the Township of Abington.
 7. PUBLIC COMMENT
 8. ADJOURNMENT



PUBLIC AFFAIRS COMMITTEE

AGENDA ITEM

November 25, 2019

DATE

Administration

DEPARTMENT

PA-01-121219

AGENDA ITEM NUMBER

FISCAL IMPACT

Cost > \$10,000.

Yes

No

PUBLIC BID REQUIRED

Cost > \$20,100

Yes

No

AGENDA ITEM:

Abington Memorial Hospital PILOT Agreement

EXECUTIVE SUMMARY:

The Township of Abington entered into agreement with Abington Memorial Hospital on September 11, 2014 for a Payment- In-Lieu of Taxes (PILOT) setting forth terms and conditions. That Memorandum of Understanding expired December 31, 2018 with the final payment under the agreement being made in 2019. Abington Memorial Hospital has agreed to the same terms and conditions of the existing PILOT agreement with the term automatically renewing each year .

PREVIOUS BOARD ACTIONS:

Not applicable

RECOMMENDED BOARD ACTION:

Consider a motion to approve the Amendment to the Memorandum of Agreement between Abington Hospital and the Township of Abington.

AMENDMENT TO MEMORANDUM OF AGREEMENT

AND NOW, as of the 4th day of November 2019, this Amendment Agreement (“Amendment”) is made by and between **Abington Memorial Hospital**, a Pennsylvania nonprofit corporation (“Hospital”), and **Abington Township** (“Township”).

Whereas, the Hospital and the Physician are parties to a certain Memorandum of Agreement, made on the 11th day of September 2014 (the “Agreement”); and

Whereas, the parties desire to modify certain terms of the Agreement, all as more fully described herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the parties agree as follows:

1. The term of the Agreement was five years commencing January 1, 2014 and ending on December 31, 2018. Despite the technical expiration of the Agreement, the Hospital and the Township continued to rely on the Agreement and conduct themselves in accordance with the terms and conditions of the Agreement. Due to each parties’ performance in reliance on the existence of the Agreement still being in full force and effect, the Hospital made a payment to the Township in the contractually agreed upon amount of \$437,944.98 as of October 1, 2019, and the Township willingly accepted this payment as being in compliance with the terms of the Agreement.

2. Recognizing that the Hospital and the Township mutually desire this Agreement to continue in full force and effect, the parties desire to amend the third paragraph under “Agreement” by deleting that paragraph in its entirety and replacing it with the following:

“This Agreement shall be effective for five years commencing January 1, 2014 and ending on December 31, 2018 (the “Initial Term”). After the expiration of the Initial Term, this Agreement shall automatically renew for additional terms of one (1) year each in duration.”


3. Except as set forth in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect. The terms defined in the Agreement and used in this Amendment shall have the same respective meanings as set forth in the Agreement. In the event of any conflict between the Agreement and this Amendment, the Amendment shall prevail.

4. This Amendment may be executed in one or more counterparts, each of which shall be deemed and original, but all of which together shall constitute one and the same instrument. Electronically transmitted and facsimile transmitted signatures shall have the full force and effect of an original signature. Electronically executed or transmitted signatures shall have the full force and effect of original signatures.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Amendment on the date and year first above written.

ABINGTON MEMORIAL HOSPITAL

By: 
Margaret M. McGoldrick
President

ABINGTON TOWNSHIP

By: _____



Township of Abington

Wayne C. Luker, *President*
Steven N. Kline, *Vice President*
Richard J. Manfredi, *Manager*
Jay W. Blumenthal, *Treasurer*

COMMISSIONERS, TOWNSHIP OF ABINGTON
1176 OLD YORK ROAD, ABINGTON, PA. 19001
TELEPHONE: (267) 536-1000 – FAX (215) 884-8271

ACCOUNT #CON 49396002

DATE: 09/05/19

Abington Memorial Hospital
Attn: Mr. Michael B. Walsh
Sr. Vice President Finance
1200 Old York Road
Finance Dept. – 1 Elkins
Abington, PA 19001

AMOUNT DUE: \$437,994.98

AMOUNT PAID: _____

Please return the above portion with your payment. Remit to:
Township of Abington - Finance Office - 1176 Old York Rd. - Abington, Pa. 19001

DESCRIPTION

AMOUNT

Per the new agreement dated September 11, 2014, the contribution is based on a calculation as delineated below:

Parcel #49396002 Assessment	\$159,167,210	
Parcel #30392007 Assessment	3,052,460	
Parcel #49840008 Assessment	<u>319,750</u>	
	\$162,539,420 x 2.6947 mills =	\$437,994.98

PAYMENT DUE OCTOBER 1, 2019

PLEASE MAKE CHECK PAYABLE TO TOWNSHIP OF ABINGTON AND FORWARD TO THE FINANCE OFFICE.

MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT made this 11th day of September, 2014 by and between **ABINGTON MEMORIAL HOSPITAL** (hereinafter "Hospital") and **ABINGTON TOWNSHIP** (hereinafter "Township").

BACKGROUND

Hospital occupies real estate in the Township that is exempt from real estate taxes. This real estate is identified by Tax Parcel Numbers (see attached). Hospital recognizes that it receives extensive services from the Township in the form of police and fire protection and ambulance services. Hospital wishes to make a contribution to the Township to help defray the cost of the services that Hospital receives.

AGREEMENT

Hospital agrees to pay to Township a sum equal to the millage attributable to police, fire and ambulance services as applied to Tax Parcel Numbers attached as follows: The assessed value of these parcels is \$162,539,420 and the millage is 2.0437 mills for General Purpose (Police); .641 mills for Fire; and .01 mills for Ambulance so that the payment during the term of this Agreement will be \$437,994.98 annually.

Payment will be made on or before October 1 of each year.

This Agreement shall be effective for five years commencing January 1, 2014 and ending on December 31, 2018.

In the event that the law of Pennsylvania concerning the applicability of the Township real estate taxes to Hospital should be changed, this Agreement shall be amended to reflect such changes. The Township understands that the Hospital will now be compensating the Township for services rendered and, therefore, the Township agrees that there will be no further requests made of the Hospital for uncompensated service.

During the period that this Agreement is in force, Abington Township agrees not to initiate any form of legal action which seeks to challenge the Hospital's tax-exempt status. If such a challenge is initiated, the Hospital will have the option to terminate this Agreement.

Should, during the period of this Agreement, the Abington School Board or Montgomery County challenge the Hospital's tax-exempt status, the Hospital will have the option to terminate this Agreement. Since the conditions prevailing at the time of a possible tax-exempt challenge cannot be fully envisioned, the Township and the Hospital will first make best attempts to reach an amicable modified agreement, but the Hospital will maintain its right to terminate this Agreement if an amicable medication cannot be achieved.

This Agreement shall apply only to the tax parcels identified herein and shall not affect taxes due on any other property owned by Hospital located in Abington Township. However, should additional properties owned by the Hospital become tax-exempt during the term of this Agreement (such as the Day Care Center, Parcel #30-00-49832-00-7), they will be incorporated into this Agreement for inclusion in the very next billing cycle.

ABINGTON MEMORIAL HOSPITAL

Michael B. Ward

Attest:

Carol M. Jutz

TOWNSHIP OF ABINGTON

Wayne C. Luker
Wayne C. Luker, President
Board of Commissioners

Attest:

Michael LeFevre
Michael LeFevre
Township Manager

**ABINGTON MEMORIAL HOSPITAL
TAX-EXEMPT PROPERTIES**

2014

<u>PARCEL NUMBER</u>	<u>ASSESSED VALUE</u>
30-00-49396-00-2	\$159,167,210
30-00-30392-00-7	3,052,460
30-00-49840-00-8	<u>319,750</u>
TOTAL	\$162,539,420