

**Home Rule Borough of Edinboro
COUNCIL MEETING MINUTES
April 10, 2017**

CALL TO ORDER:

Monday, April 10, 2017 the regularly scheduled meeting was called to order by Mayor Mary Ann Horne at 6:30 p.m.

Pledge of Allegiance

ROLL CALL:

Council members present were Jim Kiley, Aaron Gast, Mary Ann Horne, Nathan Latimer, Brenda Cannell, and Stephen O'Neill. Absent was Pat Davis.

Also present were Solicitor Tim Wachter, Interim Manager Jason Spangenberg, Abbey Hudson, Michael Feikles, Cal Robinson, Karen Eisenhart, Thomas Edwards, Yusuf Robertson, Elizabeth Cool, Patricia Cavolo, Constance Malone, Nathan Hirth, Mary Schenck, Andrew Jarvi, Bridget Jeffery, Haley Salazar, Nick Huffman, and John Ponsoll.

MINUTES:

Stephen O'Neill moved to approve the March 13, 2017 regular meeting minutes as presented. Jim Kiley seconded, and the motion passed 6-0.

PUBLIC PARTICIPATION:

No speakers participated.

COMMITTEE REPORTS:

Finance Committee:

Jim Kiley moved to approve bills paid March 27, 2017 totaling \$114,890.28; and bills paid April 10, 2017 totaling \$70,854.73. Brenda Cannell seconded, and the motion passed 6-0.

Jim Kiley moved to approve payroll ending March 11 and paid March 17, 2017 totaling \$65,595.86; and payroll ending March 25 and paid March 31, 2017 totaling \$61,096.27. Brenda Cannell seconded, and the motion passed 6-0.

Ordinance Review Committee:

Stephen O'Neill read a portion of the proposed Ordinance 606, shown below in its entirety, and Mr. O'Neill moved to approve the same:

HOME RULE BOROUGH OF EDINBORO
ERIE COUNTY, PENNSYLVANIA

ORDINANCE NO. 606

AN ORDINANCE OF THE BOROUGH COUNCIL OF THIS BOROUGH DETERMINING TO INCUR LEASE RENTAL DEBT; EVIDENCED BY THE GUARANTEED LINE OF CREDIT NOTE IN THE MAXIMUM PRINCIPAL AMOUNT OF \$1,000,000, TO BE AUTHORIZED AND ISSUED BY WATER AUTHORITY OF EDINBORO IN CONNECTION WITH THE CONSTRUCTION, ALTERATION AND IMPROVEMENTS TO THE PUBLIC WATER TREATMENT AND DISTRIBUTION FACILITIES IN AND ABOUT THIS BOROUGH, AND PAYING RELATED COSTS, FEES AND EXPENSES; SPECIFYING THE REALISTIC USEFUL LIFE OF THE PROJECT; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF THE BOROUGH TO TAKE CERTAIN ACTIONS AND TO EXECUTE CERTAIN DOCUMENTS, INCLUDING A GUARANTY AGREEMENT, BETWEEN THE BOROUGH, AS GUARANTOR AND THE WATER AUTHORITY OF EDINBORO, AND NORTHWEST BANK; APPROVING THE FORM, MAXIMUM GUARANTEED AMOUNTS AND SOURCES OF PAYMENT OF THE GUARANTY AGREEMENT, AND PLEDGING THE FULL FAITH, CREDIT, AND TAXING POWER OF THIS BOROUGH IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH GUARANTY OBLIGATIONS AND APPOINTING A SINKING FUND DEPOSITORY; AND PROVIDING FOR THE REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES.

WHEREAS, the Borough Council of the Home Rule Borough of Edinboro, Erie County, Pennsylvania (the "Local Government Unit") is the local government unit under provisions of 53 PA.C.S. Chs. 80-8, as amended and supplemented from time to time, known as the Pennsylvania Local Government Unit Debt Act, (the "Act").

WHEREAS, the Water Authority of Edinboro, (the "Authority") is a municipal authority organized by appropriate action of the Home Rule Borough of Edinboro and existing under the Municipal Authorities Act, 53 Pa. C.S. Ch. 56 (the "Authorities Act"); and

WHEREAS, the Authority will undertake a capital project which consists of construction of a new 2,000,000 gallon water tank, a new water treatment building housing chlorination and fluoride feed systems, installation of underground chlorine contact piping at the water treatment plant site; replacement of existing booster pumps at the water supply pump station, existing submersible well pumps, water distribution lines, service lines, valves, fire hydrants, and water service meters with rapid read capacity (the "Project").

WHEREAS, the costs of issuing the Note shall be included within the total cost of the Project; and

WHEREAS, Northwest Bank has approved interim funding for the Project, subject to the approval of lease rental debt proceedings under the Act; and

WHEREAS, provided the debt related to the project qualifies as self liquidating, as aforesaid, the proposed increase of lease rental debt, together with the Local Governmental Unit's other indebtedness

presently outstanding, will not cause the limitations of the Local Governmental Unit's lease rental debt incurring power, pursuant to constitutional and statutory authority, to be exceeded.

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Borough Council of the Home Rule Borough of Edinboro, Erie County, Pennsylvania, hereby ordains as follows:

This Borough authorizes and requests the Water Authority of Edinboro (the "Authority") to undertake and complete the Project.

This Borough determines to incur debt as such term is defined in the Act, which shall be lease rental debt of this Borough pursuant to the Act, in connection with the Project.

Such lease rental debt shall be in the maximum principal amount of \$1,000,000 and shall be evidenced by the Borough guaranty of a certain obligation issued by the Authority consisting of a guaranteed line of credit note in the maximum principal amount of \$1,000,000, to be issued by the Authority (the "Note"). The Note shall have the benefit of and be secured by, among other things, the guaranty obligations of the Borough.

The Borough specifies that the estimated useful life of the Project is in excess of forty (40) years.

Under the Note, the Authority shall begin interest amortization of the Note thirty (30) days from the first drawdown, and continuing on the tenth day of each month thereafter to and including the maturity date of November 10, 2021; and, on or prior to that date, the Authority shall pay the proceeds from the Funding Offer from PennVEST as may be necessary to reimburse Northwest Bank in full for the then outstanding principal and interest. As of the date of this Ordinance, the projected estimated date of completion of the Project is December 31, 2019.

The Borough, as guarantor, shall enter into a Guaranty Agreement, to be dated as provided therein (the "Guaranty Agreement"), substantially in the form approved and presented to this meeting and attached hereto as EXHIBIT A, with the Authority and Northwest Bank as security for the Note. The Guaranty Agreement shall set forth the terms and conditions to be observed by the Borough relative to the Note and to guaranty unconditionally, for the benefit of Northwest Bank and other holders, from time to time of the Note, full prompt payment of Debt Service, as such phrase is defined in the Guaranty Agreement, to the extent provided therein, as such shall become due and payable under the Note for the life of the Note.

A copy of the Guaranty Agreement, in the form so presented and approved at this meetings shall be filed with the Secretary of this Borough and shall be available for inspection at reasonable times by interested person requesting such inspection.

This Borough in the Guaranty Agreement does hereby covenant with Northwest Bank and the Authority as follows: i) to include the Debt Service, as in respect of its guaranty for each of its Fiscal Years in which such sums shall be payable, in its budget for that Fiscal Year; ii) to appropriate such amounts from its general revenues for payment of its obligations under the Guaranty Agreement; iii) to duly and punctually pay or caused to be paid from its sinking funds (hereinafter mentioned and identified) or any other of its revenues or funds, the amount payable in respect to the guaranty, at the dates and times required there under according to the true meaning and intent thereof; and (iv) for such budgeting, appropriation, and payment in respect to the guaranty, this Borough shall, and does pledge irrevocably, its full faith, credit, and taxing power. This covenant shall be specifically enforceable. For purposes of complying with the forgoing covenant, this Borough covenants that it shall budget the amounts set forth in EXHIBIT B which is attached hereto and made a part hereof, such amounts being such debt service on the Note for the Fiscal Years in such amounts are payable, and shall appropriate and pay over to Northwest Bank such amounts subject to the provisions of the Guaranty Agreement regarding the same.

This Borough also shall covenant in the Guaranty Agreement and does hereby covenant that, to the extent sufficient money shall not be available in its then current budget at any time when payments are required under the Guaranty Agreement, and if it shall be unable to incur debt lawfully in the current year for the purpose or to issue tax anticipation notes or other to satisfy its obligations the Guaranty Agreement, it shall include any monies so payable by it in its budget for the next succeeding Fiscal Year and shall

appropriate such amounts to the payment of such obligations and shall duly and punctually pay such obligations in the manner stated in the Guaranty Agreement, according to the true intent and meaning thereof and, for such budgeting, appropriation and payment, it shall and does pledge, irrevocably, its full faith, credit, and taxing power. This covenant shall be specifically enforceable.

It shall be the intent and purpose of the Guaranty Agreement that this Borough shall be required to pay over to Northwest Bank only that portion of such debt service that cannot be paid from other funds available for that purpose, as set forth in the Guaranty Agreement.

The maximum guaranty obligations of the Borough, with respect to the Note, as set forth in the Guaranty Agreement, shall be payable, if an as necessary, in such amounts as set forth in EXHIBIT B.

The guaranty obligation of this Borough shall be payable from the tax and other general revenues of the Borough.

This Borough hereby creates and establishes a sinking fund as such phrase is defined or applied by the Act, with respect to its obligations under the Guaranty Agreement with respect to such guaranty, and Northwest Bank is hereby designated as the sinking fund depository and paying agent as such phrases are defined by the Act, with respect to obligations of this Borough under the Guaranty Agreement with respect to such guaranty.

The proper officers of the Borough, including the President of Borough Council, the Borough Council Secretary, the Interim Borough Manager and the Borough Manager (the "Authorized Signatories"), as appropriate, are authorized and directed to prepare, certify and file with the Pennsylvania Department of Community and Economic Development the debt statement, as such phrase is defined in the Act required by 53 Pa. C.S. Section 8110, on behalf of this Borough, and the borrowing base certificate appended to such debt statement.

The Authorized Signatories, as appropriate, are authorized and directed to prepare statements required by the Act to qualify the lease rental debt for exclusion from the appropriate debt limit as self liquidating.

The Authorized Signatories, as appropriate, are authorized and directed to make application to the Department of Community and Economic Development for approval with respect to the Guaranty Agreement as required by 53 P.S. Section 8111(b), and in connection with this application to pay or cause to be paid the applicable filing fee.

After obtaining the approval discussed in Section 13, the Authorized Signatories, as appropriate, are authorized and directed to execute, attest, and deliver the Guaranty Agreement to Northwest Bank.

Authorized Signatories, as appropriate, are authorized and directed to execute all documents and to do all other acts as may be necessary and proper to carry out the intent and purpose of this Ordinance and the undertakings of the Borough, under the Guaranty Agreement.

In the event any provision, section, sentence or clause or part of the Ordinance shall be held invalid, such invalidity shall not impair or affect any remaining provision, section, sentence, clause or part of the Ordinance from remaining in full force and effect. This Ordinance shall become effective in accordance with the provisions of the Act.

All ordinances or parts of ordinances that are inconsistent herewith are repealed.

ORDAINED AND ENACTED THIS 10th day of April, 2017.

Solicitor Wachter discussed the proposed ordinance, which was a required item in the process for the Borough to guaranty an interim line of credit for the Water Authority of Edinboro's major water system upgrades. He said that the interest rate would be 2.98%, and this line of credit through Northwest Savings Bank would be used while waiting on PENNVEST funding to arrive. Solicitor Wachter added that, in the unlikely event that the Borough did need to pay off the loan should the Water Authority fail to do so, the Water Authority would have to pay the Borough back. Aaron Gast asked if this guaranty agreement was any different than others that Attorney Wachter had dealt with recently, and the Solicitor replied that it was standard.

Jim Kiley seconded the motion to approve Ordinance 606, and the motion passed by 6-0 roll call vote: Nathan Latimer, yes; Aaron Gast, yes; Jim Kiley, yes; Pat Davis, absent; Brenda Cannell, yes; Stephen O'Neill, yes; Mary Ann Horne, yes.

MANAGEMENT REPORTS:

Interim Manager Spangenberg presented his report to Council. He said that he and Rob Kennerknecht met with Beth Zewe and Brian Zimmerman of Edinboro University on April 6 regarding the creation of water and wastewater degree programs at the University. He said that the University was very interested, and that the two sides plan to meet again.

The empty lot at 122 Harrison Drive has been sold, with the closing held April 4.

The State Aid audits for liquid fuels and pensions have been conducted, with both going smoothly.

An open house and meet & greet with new Manager Kevin Oppe is being planned for Thursday, April 27 from 5:30-7:30 p.m. in the council chambers. This will allow residents and community members a chance to meet him during his first week on the job.

The customized BORO bike racks, which have been in development for at least a year, are finally complete. They will be picked up and installed by the end of May.

Recreation:

Mayor Horne asked for a motion to approve the 3 on 3 basketball camp in June, stating that this is always a great event for the Edinboro community. Brenda Cannell moved to approve the basketball camp, Nathan Latimer seconded, and the motion passed 6-0.

COMMUNITY LIAISONS:

EVFD:

Mayor Horne stated that the EVFD is advertising for paid EMTs to help with their understaffing issues. The EVFD will bill the Borough and Township quarterly to help with these expenses. She added that the social club that the EVFD is planning is moving along. Solicitor Wachter asked a question to clarify how the employees will be paid, and Mayor Horne replied that they will be EVFD employees, and that the Borough would just be providing a donation to the EVFD.

Watershed Association:

Mayor Horne noted that the rain garden that was installed on General McLane's campus is in bloom and suggested that those in attendance visit the garden as the weather warms up.

PSAB:

Mayor Horne asked for a motion to approve sending Aaron Gast to the PSAB conference in Hershey from May 7-10. Jim Kiley made the motion, Stephen O'Neill seconded, and the motion passed 6-0.

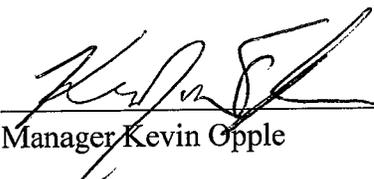
COMMUNICATIONS:

An invitation to the ECAB dinner on April 19 was included in Council's packet, as was an email from County Councilman Jay Breneman. Mayor Horne then discussed the PML meeting that is being held on EU's campus on May 3, asking that each Council member provide a basket to raffle off, and that they RSVP for the event soon.

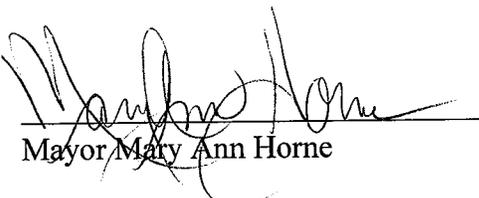
ADJOURNMENT:

Jim Kiley moved for adjournment, and the meeting was adjourned at 6:52 p.m.

ATTEST:



Manager Kevin Opple



Mayor Mary Ann Horne