

Home Rule Borough of Edinboro
COUNCIL MEETING MINUTES
May 22, 2017

CALL TO ORDER:

Monday, May 22, 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, Pat Davis, and Stephen O'Neill.

Also present were Manager Kevin Ople, Finance Director Jason Spangenberg, Kelly Latimer, and Pete Mitchell. Absent was Solicitor Tim Wachter.

MINUTES:

Jim Kiley moved to approve the May 8, 2017 regular meeting minutes as presented. Brenda Cannell seconded, and the motion passed 7-0.

PUBLIC PARTICIPATION:

No speakers participated.

COMMITTEE REPORTS:

Finance Committee:

Jim Kiley moved to approve bills paid May 22, 2017 totaling \$107,349.25. Brenda Cannell seconded, and the motion passed 7-0.

Jim Kiley moved to approve payroll ending May 6 and paid May 12, 2017 totaling \$80,999.61. Stephen O'Neill seconded, and the motion passed 7-0.

Ordinance Review Committee:

Stephen O'Neill moved to approve the proposed Ordinance 607, which is required as part of the process to guarantee the Water Authority \$7 million PENNVEST loan. The ordinance is shown below:

*BOROUGH OF EDINBORO
ERIE COUNTY, PENNSYLVANIA*

ORDINANCE NO. 607

OF THE BOROUGH COUNCIL OF THIS BOROUGH OF EDINBORO DETERMINING TO INCUR LEASE RENTAL DEBT; EVIDENCED BY THE GUARANTEED REVENUE NOTE IN THE MAXIMUM PRINCIPAL AMOUNT OF \$7,000,000, TO BE AUTHORIZED AND ISSUED BY EDINBORO WATER AUTHORITY OF THE BOROUGH OF EDINBORO IN CONNECTION WITH THE CONSTRUCTION, ALTERATION AND IMPROVEMENTS TO THE PUBLIC WATER DISTRIBUTION, TREATMENT OR SEWER FACILITIES IN AND ABOUT THIS BOROUGH OF EDINBORO, AND PAYING RELATED COSTS, FEES AND EXPENSES; SPECIFYING THE REALISTIC USEFUL LIFE OF THE PROJECT; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF THE BOROUGH OF EDINBORO TO TAKE CERTAIN ACTIONS AND TO EXECUTE CERTAIN DOCUMENTS, INCLUDING A GUARANTY AGREEMENT, BETWEEN THE BOROUGH OF EDINBORO, AS GUARANTOR AND THE EDINBORO WATER AUTHORITY OF THE BOROUGH OF EDINBORO, AND THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY; 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 OF EDINBORO 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 Borough of Edinboro, Erie County, Pennsylvania (the "Local Government Unit") is the local government unit under provisions of 53 P.A.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 Edinboro Water Authority (the "Authority") is a municipality authority organized by appropriate action of the 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 constructing alterations, additions and improvements to construct 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 to the system facilities in and about this Borough of Edinboro, (the "Project").

WHEREAS, the Pennsylvania Infrastructure Investment Authority ("PENNVEST") has approved 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 Borough Council of the Borough of Edinboro, Erie County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. This Borough of Edinboro authorizes and requests the Edinboro Water Authority (the "Authority") to undertake and complete the Project.

SECTION 2. This Borough of Edinboro determines to incur debt as such term is defined in the Act, which shall be lease rental debt of this Borough of Edinboro pursuant to the Act, in connection with the Project.

SECTION 3. Such lease rental debt shall be in the maximum principal amount of \$7,000,000 and shall be evidenced by the Borough of Edinboro guaranty of a certain obligation issued by the Authority under the Authorities Act consisting of a guaranteed revenue note in the maximum principal amount of \$7,000,000, to be issued by the Authority under the Authorities Act (the "PENNVEST Note"). The PENNVEST Note shall have the benefit of and be secured by, among other things, the guaranty obligations of the Borough of Edinboro.

SECTION 4. The Borough of Edinboro specifies that the estimated useful life of the Project is in excess of 40 years.

SECTION 5. Under the PENNVEST Note, the Authority shall begin principal amortization of the PENNVEST Note on the earlier of: (i) three (3) months after the estimated date of completion of the Project, (ii) the first day of the calendar month following actual completion of the Project, or (iii) three (3) years from the date of settlement. Notwithstanding the foregoing, principal amortization on the PENNVEST Note shall not be deferred beyond the later of two (2) years from the date of settlement or one (1) year after completion of the Project in accordance with Section 8142(c) of the Act. As of the date of this Ordinance, the projected estimated date of completion of the Project is December 31, 2019.

SECTION 6. The Borough of Edinboro, 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 Pennsylvania Infrastructure Investment Authority (PENNVEST) as security for the PENNVEST Note. The Guaranty Agreement shall set forth the terms and conditions to be observed by the Borough of Edinboro relative to the PENNVEST Note and to guaranty unconditionally, for the benefit of PENNVEST and other holder, from time to time of the PENNVEST 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 PENNVEST Note for the life of the PENNVEST Note.

SECTION 7. 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 of Edinboro and shall be available for inspection at reasonable times by interested person requesting such inspection.

SECTION 8. This Borough of Edinboro in the Guaranty Agreement does hereby covenant with PENNVEST 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 of Edinboro 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 PENNVEST Note for the Fiscal Years in such amounts are payable, and shall appropriate and pay over to PENNVEST such amounts subject to the provisions of the Guaranty Agreement regarding the same.

This Borough of Edinboro 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 of Edinboro shall be required to pay over to PENNVEST 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.

SECTION 9. The maximum guaranty obligations of the Borough of Edinboro, with respect to the PENNVEST Note, as set forth in the Guaranty Agreement, shall be payable, if an as necessary, in such amounts as set forth in EXHIBIT B.

SECTION 10. The guaranty obligation of this Borough of Edinboro, shall be payable from the tax and other general revenues of the Borough of Edinboro.

SECTION 11. This Borough of Edinboro 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 of Edinboro under the Guaranty Agreement with respect to such guaranty.

SECTION 12. The Mayor and Borough Manager and the Secretary of the Borough of Edinboro, 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 of Edinboro, and the borrowing base certificate appended to such debt statement.

SECTION 13. The Mayor and Borough Manager and the Secretary of the Borough of Edinboro, 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.

SECTION 14. The Mayor and Borough Manager and the Secretary of the Borough of Edinboro, as appropriate, are authorized and directed to make application to the Depart 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.

SECTION 15. After obtaining the approval discussed in Section 13, the Mayor and Borough Manager and the Secretary of the Borough of Edinboro, as appropriate, are authorized and directed to execute, attest, and deliver the Guaranty Agreement to PENNVEST.

SECTION 16. The Mayor and Borough Manager and the Secretary of the Borough of Edinboro, 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 of Edinboro, under the Guaranty Agreement.

SECTION 17. 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.

SECTION 18. All ordinances or parts of ordinances that are inconsistent herewith are repealed.

ORDAINED AND ENACTED THIS 22nd day of May, 2017.

Brenda Cannell seconded, and the motion passed by 7-0 roll call vote: Nathan Latimer, yes; Aaron Gast, yes; Jim Kiley, yes; Pat Davis, yes; Brenda Cannell, yes; Stephen O'Neill, yes; Mary Ann Horne, yes.

Mr. O'Neill added that the Ordinance Review Committee met prior to this meeting to discuss parking regulations and temporary signage.

Personnel Committee:

Brenda Cannell said that Washington Township had submitted two candidates to be considered to serve as the Township representative on the Municipal Authority Board, and that the Personnel Committee had reviewed the candidates and recommended appointing Jon Foulkrod. She then moved to do so. Stephen O'Neill seconded, and the motion passed 7-0.

MANAGEMENT REPORTS:

Manager Opplé presented his report to Council. He discussed the Beau Drive storm drainage issue, stating that the area is still very wet, so we are waiting until it dries out in the summer to perform work, since it will be much cheaper to work with dry ground. He added that we want to make sure it is done right, rather than rush to complete the work this month, and then possibly have to fix it again later. Jim Kiley asked if the land owner is aware of the plans. Manager Opplé replied that Streets Supervisor Shafer

met with the owner recently and showed him the plans, and added that we hope to get quotes soon.

Mr. Opple stated that Borough employee Terry Chiaramonte, the Assistant Wastewater Superintendent, passed away last week. He said that Terry was a great employee and will be deeply missed.

Mayor Horne asked if there was an update on the BORO bike racks. Manager Opple replied that they were received, but the material is not what we expected, and they appear unsafe to use in their current condition due to the thin width of the metal. He said that the Council members could see the racks after the meeting.

Zoning:

On the agenda was a proposal to subdivide the old movie theater onto its own lot, which the Planning Commission had recommended be approved. Manager Opple asked Pete Mitchell, the representative for the project in attendance, how much money would be placed in escrow for the work to install separate water and sewer lines for the lot, to which Mr. Mitchell replied \$30,000, and Manager Opple said that he was in agreeance with the stated amount. Stephen O'Neill moved to approve the subdivision contingent upon the placement of the stated amount in an escrow account, Brenda Cannell seconded, and the motion passed 7-0.

Public Works:

Manager Opple stated that the following bids had been received for 2017 road paving work:

<u>Name</u>	<u>Address</u>	<u>Bid Amount</u>
Russell Standard Corp.	P.O. Box 86, Union City, 16438	\$207,281.78
Sharon Paving & Const.	100 Canal St., Sharpsville, 16150	\$252,240.72
Mayer Bros. Const.	1902 Cherry St., Erie, 16502	\$266,928.00

Manager Opple recommended awarding the contract to Russell Standard as low bidder, adding that they have worked well with us in the past. Jim Kiley moved to award as recommended, Brenda Cannell seconded, and the motion passed 7-0.

COMMUNITY LIAISONS:

EUP:

Pat Davis stated that the next Town & Gown meeting with the University officials would be held in the Borough building at 1:30 p.m. on June 28.

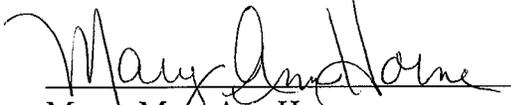
ADJOURNMENT:

Brenda Cannell moved for adjournment, and the meeting was adjourned at 6:40 p.m.

ATTEST:



Manager Kevin Opple



Mayor Mary Ann Horne