

HATFIELD BOROUGH COUNCIL
REGULAR MEETING
April 20, 2016

MINUTES

CALL TO ORDER AND ROLL CALL:

- (X) John H. Weierman, President
 - (X) Kenneth V. Farrall
 - (X) Stephen E. Keib
 - (X) John Kroesser
 - (X) Lawrence G. Stevens
- (X) Mayor Robert L. Kaler, III

The record shows that five members of Council were present at roll call, as well as, Mayor Robert L Kaler III, Solicitor Catherine M. Harper; Timoney Knox LLP, Borough Manager Michael J. DeFinis and Assistant Secretary Jaime E. Snyder.

1. APPROVAL OF MEETING AGENDA:

Motion: A motion was made by Councilmember Farrall to Approve the Regular Meeting Agenda of April 20, 2016 with additions. The motion was seconded by Councilmember Keib and unanimously approved with a vote of 5-0.

2. APPROVAL OF THE MINUTES:

Motion to Approve the Minutes of the March 2, 2016 Workshop Meeting and the March 16, 2016 Regular Meeting.

Motion: A motion was made by Councilmember Farrall to Approve the Minutes of the March 2, 2016 Workshop Meeting and the March 16, 2016 Regular Meeting. The motion was seconded by Councilmember Kroesser and unanimously approved with a vote of 5-0.

3. PUBLIC INPUT: President Weierman asked if there was any Public Input. The media was not present.

Dennis Clegg, 122 Penn Avenue addressed Borough Council. Mr. Clegg thanked Council and the Mayor for the job they do for our community. Mr. Clegg spoke about the proposed New Municipal Complex and addressed his opinions on borrowing the funds for the project and that he believes a better option would be to renovate the current building instead of tearing it down and rebuilding.

President Weierman stated we have monies set aside for this project. President Weierman mentioned that the scope of the project is more than just the Municipal Complex as part of the borrowing of the funds is for other infrastructures in the Borough that we are constantly finding issues with. He added that we are very surprised and pleased with the rate that was proposed which is an indicator that today is a good time to move forward with the proposed projects.

Manager DeFinis stated that what we are standing in as a tear down. We have been through this building several times with Engineers and our current insurance provider is constantly asking when this building is getting torn down due to its deteriorating conditions. Manager DeFinis added that we have a serious structural problems with the building as well as electrical; we are maxed.

A discussion ensued amongst Council and Mr. Clegg thanked Council for listening to him this evening.

4. ANNOUNCEMENTS: Manager DeFinis made the following announcements:

- The Planning Commission is scheduled to meet Monday, May 2nd @ 7:00PM
- Next Council Meetings May 4th Workshop and May 18th Regular @ 7:30PM in Council Chambers
- HERC is scheduled to meet April 27, 2016 @ 8:00AM

5. Hearing for Ordinance # 522 Regarding the General Obligation Note for the Municipal Complex / Suzanne Mayes, Esq. of Cozen & O'Conner Presiding.

President Weierman opened the Public Hearing regarding Ordinance No. 522 and turned the floor over to Suzanne Mayes, Esquire. Lisa Neal Court Reporter minutes are attached.

6. OLD BUSINESS:

A. Sewer Specialty Service Co. Inc. Application for Payment # 9.

Manager DeFinis stated that he wanted Council to see this before it was on for approval.

7. NEW BUSINESS:

A. Semac Grant

Manager DeFinis stated this is a grant that the Borough and the Township have discussed in the past for the Rt. 463 Corridor trying to loop everything together for battery backups, video and fiber optic connections at all traffic signal locations.

B. Hattricks Land Development

Solicitor Harper stated at your places is a draft Resolution giving a temporary waiver for Land Development and allowing them to have live entertainment outside with a bar for serving food and drinks from 6-11 PM Fridays and Saturdays during summer months expiring September 5, 2016 with certain conditions. Solicitor Harper went over the Resolution with Council and a discussion ensued amongst Council.

Solicitor Harper added that if you feel this is going well and you would like to continue this at the location we should rewrite the Resolution at that time or enact this every year.

Edward Smith from 29A Fretz Street addressed Council about noise concerns and control. A discussion ensued amongst Council.

8. ACTION ITEMS:

A. Motion to Approve Ordinance # 522 Regarding the General Obligation Note for the Municipal Complex.

Motion: A motion was made by Councilmember Farrall to Approve Ordinance # 522 Regarding the General Obligation Note for the Municipal Complex. The motion was seconded by Councilmember Keib.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

B. Motion to Approve Resolution 2016-06 Supporting Local Radar Enforcement.

Motion: A motion was made by Councilmember Keib to Approve Resolution 2016-06 Supporting Local Radar Enforcement. The motion was seconded by Councilmember Kroesser.

President Weierman asked if there were any comments or questions.

The motion was approved with a vote of 4-1.

C. Motion to TABLE Resolution 2016-07 Authorizing the Montco 2040 Implementation Grant.

Motion: A motion was made by Councilmember Farrall Motion to TABLE Resolution 2016-07 Authorizing the Montco 2040 Implementation Grant. The motion was seconded by Councilmember Kroesser.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

D. Motion to Approve Resolution 2016-08 closing certain Borough Roads for the annual American Legion Memorial Day Parade May 30, 2016.

Motion: A motion was made by Councilmember Farrall to Approve Resolution 2016-08 closing certain Borough Roads for the annual American Legion Memorial Day Parade May 30, 2016. The motion was seconded by Councilmember Kroesser.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

E. Motion to Approve Change Order # 1 – Final Reconciliation from Land Tech Enterprises, Inc for work items removed from the Edgewood / Towamencin Culvert Contract.

Motion: A motion was made by Councilmember Farrall to Approve Change Order # 1 – Final Reconciliation from Land Tech Enterprises, Inc for work items

removed from the Edgewood / Towamencin Culvert Contract. The motion was seconded by Councilmember Kroesser.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

F. Motion to TABLE Payment Request # 2 from Land Tech Enterprises, Inc in the amount of \$_____ for work completed on the Edgewood Drive & Towamencin Avenue Culvert. (Invoice was never received)

Motion: A motion was made by Councilmember Farrall to TABLE Payment Request # 2 from Land Tech Enterprises, Inc the amount of \$_____ for work completed on the Edgewood Drive & Towamencin Avenue Culvert. The motion was seconded by Councilmember Keib.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

G. Motion to Appoint Network Concepts as the IT Provider for the Borough of Hatfield beginning May 2, 2016.

Motion: A motion was made by Councilmember Farrall to Appoint Network Concepts as the IT Provider for the Borough of Hatfield beginning May 2, 2016. The motion was seconded by Councilmember Kroesser.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

H. Motion to Approve the Purchase of Three 15,000 Volt Circuit Reclosers from NOJA Power in the amount of \$ 27,000 (Twenty Seven Thousand US Dollars).

Motion: A motion was made by Councilmember Farrall to Approve the Purchase of Three 15,000 Volt Circuit Reclosers from NOJA Power in the amount of \$ 27,000 (Twenty Seven Thousand US Dollars). The motion was seconded by Councilmember Keib.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

I. Motion to Approve the Amended Agreement for Professional Financial Advisory Services between the Borough of Hatfield and Public Financial Management.

Motion: A motion was made by Councilmember Farrall. to Approve the Amended Agreement for Professional Financial Advisory Services between the Borough of Hatfield and Public Financial Management. The motion was seconded by Councilmember Keib.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

J. Motion to Approve Sewer Specialty Services Co. Inc. Application for Payment # 9 in the amount of \$ 43,702.38 for work completed.

Motion: A motion was made by Councilmember Keib to Approve Sewer Specialty Services Co. Inc. Application for Payment # 9 in the amount of \$ 43,702.38 for work completed. The motion was seconded by Councilmember Farrall.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

K. Motion to Approve Resolution 2016-09 Temporary waiver of Land Development for Hattricks Sports Bar.

Motion: A motion was made by Councilmember Keib to Approve Resolution 2016-09 Temporary waiver of Land Development for Hattricks Sports Bar. The motion was seconded by Councilmember Kroesser.

President Weierman asked if there were any comments or questions. There were no comments or questions.

The motion was approved unanimously with a vote of 5-0.

9. MOTION TO APPROVE PAYMENT OF THE BILLS:

President Weierman and Manager DeFinis reviewed and answered questions regarding the bill list.

Motion: A motion was made by Councilmember Farrall to approve payment of the bills. The motion was seconded by Councilmember Keib.

The motion was approved with a vote of 4-0-1. Councilmember Farrall abstained from the vote.

10. MOTION TO ADJOURN:

Motion: A motion was made by Councilmember Kroesser to adjourn the Regular Meeting of April 20, 2016. The motion was seconded by Councilmember Farrall and unanimously approved with a vote of 5-0. The meeting was adjourned at 8:35PM.

Executive Session Litigation and Personnel

Respectfully Submitted,
Jaime E. Snyder
Assistant Secretary

BOROUGH OF HATFIELD
BOROUGH COUNCIL MEETING
MONTGOMERY COUNTY, PENNSYLVANIA

- - -

In re: Hearing for Ordinance #522
Regarding the General Obligation Note
for the Municipal Complex / Suzanne
Mayes, Esq. of Cozen & Connor Presiding
Motion to open the Hearing for Ordinance
#522 / Second. Motion to close the
Hearing for Ordinance #522 / Second.

- - -

A public hearing was held before Borough
of Hatfield Council, Hatfield Township, Montgomery
County, Pennsylvania, at 401 South Main Street,
Hatfield, Pennsylvania, on Wednesday, April 20, 2016,
commencing at 7:30 p.m.

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COUNCIL MEMBERS PRESENT:

JOHN H. WEIERMAN, President
KENNETH V. FARRALL, Vice President
STEPHEN E. KEIB, Member
JOHN KROESSER, Member
LAWRENCE G. STEVENS, Member

CATHERINE M. HARPER, Solicitor

- - -

ALSO PRESENT:

MAYOR ROBERT L. KALER, III
BOROUGH MANAGER MICHAEL J. DeFINIS

- - -

E X H I B I T SBoard's

| <u>Number</u> | <u>Description</u> | <u>Marked</u> | <u>Received</u> |
|---------------|-------------------------|---------------|-----------------|
| 1 | Term Sheet | 5 | 5 |
| 2 | Proposal | 5 | 5 |
| 3 | Notice of Meeting | 6 | 6 |
| 4 | Ordinance | 6 | 6 |
| 5 | Bank Loan Sale Document | 16 | 16 |

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P R O C E E D I N G S

1
2
3 MR. WEIERMAN: This is a
4 hearing for Ordinance No. 522, regarding
5 the general obligation note for
6 Municipal Complex.

7 Suzanne Mayes from Cozen
8 O'Connor is here this evening. Welcome.

9 MS. MAYES: Thank you.

10 My name is Suzanne Mayes. I
11 am a partner with Cozen O'Connor. I am
12 also here with my colleague Mark Vacha,
13 another partner at Cozen O'Connor.
14 We're here in our capacity as bond
15 counsel to the Borough, and we thank you
16 for having us here today.

17 MR. WEIERMAN: Suzanne, if I
18 may, with that introduction, take motion
19 to open the hearing, officially.

20 MR. FARRALL: I make that
21 motion.

22 MR. KEIB: Second.

23 MR. WEIERMAN: Motion by
24 Council Farrall. Seconded by Council

1 Keib.

2 Are we good to proceed?

3 Aye.

4 MR. FARRALL: Aye.

5 MR. KEIB: Aye.

6 MR. KROESSER: Aye.

7 MR. STEVENS: Aye.

8 MR. WEIERMAN: Okay. Thank
9 you.

10 MS. MAYES: Sure.

11 This is a Public Hearing in
12 connection with an Ordinance that you
13 are to consider for enactment related to
14 issuance of a general obligation note,
15 in the maximum principle amount of
16 \$4 million.

17 And the proceeds of that note
18 will be used to undertake a variety of
19 projects including construction of a new
20 municipal building, road reconstruction
21 and sanitary sewer replacement on North
22 Main Street, and sanitary sewer
23 rehabilitation projects from North
24 Main Street to the interoceptor.

1 I have several exhibits that I
2 would like to put into the record. The
3 first is a copy of the Term Sheet that
4 was circulated to a number of banks.
5 So, if we can mark this Exhibit A-1
6 (sic).

7 MS. MAYES: And it's titled
8 Term Sheet.

9 (Term Sheet marked Board's
10 Exhibit No. 1, for identification.)

11 MS. MAYES: I would also like
12 to put into the record a copy of the
13 Proposal that the Borough is going to
14 consider for acceptance tonight from
15 ESSA Bank and Trust. We could mark that
16 as Exhibit B-2.

17 (Proposal marked Board's
18 Exhibit No. 2, for identification.)

19 MS. MAYES: I then have a copy
20 of the Notice of Meeting that was
21 advertised in connection with
22 considering the proposed Ordinance. If
23 we could mark that as Exhibit B-3.

24 (Notice of Meeting marked

1 Board's Exhibit No. 3, for
2 identification.)

3 MS. MAYES: And that appeared
4 in the paper at least three days prior
5 to tonight's meeting.

6 And then, also, if we could
7 mark as B-4 the actual Ordinance itself.

8 (Ordinance marked Board's
9 Exhibit No. 4, for identification.)

10 MS. MAYES: As this is a
11 Public Hearing I would ask anyone who is
12 going to speak with any comments to
13 identify themselves by name, and also
14 please allow people to speak before
15 someone else raises any questions or
16 comments.

17 I am happy, at this point, to
18 take any comments or questions related
19 to the hearing.

20 MR. WEIERMAN: Do we have
21 questions or comments from the public?

22 (No audible response.)

23 MR. WEIERMAN: How about from
24 Council?

1 MR. FARRALL: I have none.

2 MR. STEVENS: No.

3 MR. WEIERMAN: Hearing none --

4 MS. HARPER: Can I ask a
5 question?

6 MR. WEIERMAN: Solicitor Kate
7 Harper.

8 MS. HARPER: Can I ask you to
9 give a short -- just repeat the projects
10 that are part of this.

11 MS. MAYES: Certainly.

12 MS. HARPER: And then give a
13 short explanation of the financing that
14 these documents represent.

15 MS. MAYES: Certainly.

16 So, the Ordinance
17 authorizes -- can I just give a brief
18 summary of what the Ordinance does?

19 MS. HARPER: Yes.

20 MS. MAYES: Terrific.

21 So the Ordinance is the only
22 legal action that's needed to be taken
23 by the Borough in connection with
24 approving and authorizing the issuance

1 of the general obligation note, in the
2 maximum principle amount of \$4 million.
3 The proceeds of which would be used for
4 the financing of the following capital
5 projects.

6 It would be for Borough
7 facilities and equipment including
8 without limitation the following:

9 Construction of a new
10 municipal building; road reconstruction
11 and sanitary sewer replacement on North
12 Main Street; and sanitary sewer
13 rehabilitation project from North
14 Main Street to the interceptor. And
15 they are listed on Exhibit A to the
16 Ordinance.

17 The Ordinance contains a
18 general authorization for the issuance
19 of the debt. It, as I said, states the
20 maximum principle amount of the note.
21 It notes that the indebtedness is
22 evidenced by the note is nonelectoral
23 under the Debt Act, which is what
24 governs the Borough's incurrence of the

1 debt. Also, that it is a general
2 obligation of the Borough, to which the
3 Borough is pledging its full faith
4 credit and taxing power.

5 It authorizes the acceptance
6 of the proposal from ESSA Bank and Trust
7 Company, which I noted earlier, and then
8 authorizes certain officers to sign
9 documents to do everything else
10 necessary in connection with the
11 financing to consummate it.

12 There are covenants contained
13 in the Ordinance that allow the interest
14 on the note to be tax exempt. You will
15 see that in Section 15.

16 I believe those are the
17 highlights of the Ordinance. And it has
18 been reviewed by your Solicitor as well.

19 MS. HARPER: Before you get to
20 the financing, Suzanne, could you
21 explain that "nonelectoral" means that
22 the Borough is not required to go the
23 voters for this.

24 MS. MAYES: That is correct.

1 So under the Debt Act there's
2 the electoral debt and nonelectoral.
3 Electoral requires a referendum and --
4 you know, a ballot question. This is
5 being done as nonelectoral, and there
6 are certain limits under which
7 governmental entities in the
8 Commonwealth of Pennsylvania can issue
9 debt without taking it to voters and
10 getting approval, and this is
11 nonelectoral in that sense.

12 MAYOR KALER: Kate, I don't
13 understand. Question --

14 MS. HARPER: Hold on. Let her
15 finish the financing and then we'll ask
16 the Mayor's question.

17 MAYOR KALER: It has nothing
18 to do with that.

19 MR. WEIERMAN: Quick question.
20 Why was there a handout at our places
21 compared to what was in the binder?

22 MS. MAYES: Oh, I brought --
23 that's my mistake.

24 MR. WEIERMAN: This is just a

1 copy?

2 MS. MAYES: I just brought it
3 not knowing what you had in your binder.

4 MR. DeFINIS: Why do you have
5 them? There's two different?

6 MS. HARPER: Right. The --

7 MR. DeFINIS: That was a
8 draft.

9 MS. HARPER: -- one Counsel
10 brought with her.

11 MR. FARRALL: As a handout.

12 MR. DeFINIS: Okay. So that
13 was a draft.

14 MR. WEIERMAN: Right.

15 MS. HARPER: Right.

16 MR. DeFINIS: And since that
17 was produced, the final copy.

18 MAYOR KALER: All right.

19 MS. HARPER: So the one that
20 was handed out tonight is Ordinance
21 522 --

22 MR. DeFINIS: Right.

23 MS. HARPER: -- which is up
24 for action --

1 MR. DeFINIS: Right.

2 MS. HARPER: -- later this
3 evening. And the one that was in
4 Councils' binders was an earlier draft.
5 But I don't believe there are
6 significant changes.

7 MS. MAYES: There weren't.
8 I'm trying to think.

9 We probably inserted the name
10 of the lender -- but no material
11 changes. It was just to conform it to,
12 you know, what had developed since we
13 circulated the draft.

14 You will see a maximum
15 repayment schedule which is attached on
16 Schedule I to the Ordinance. This is a
17 drawdown facility, so in -- it is
18 possible that not all \$4 million will be
19 drawn down. If that's the case, then
20 the amortization or the repayment
21 schedule will be adjusted accordingly.
22 But the Ordinance authorizes principle
23 payments not to exceed the level shown
24 on Schedule I.

1 And that Schedule I is in the
2 form of a bond, Exhibit C. And then
3 within the form -- I said "bond," it's
4 actually a note. Within the form of a
5 note itself, you will also see in the
6 second full paragraph the interest
7 provision for the note.

8 So it will bear interest at a
9 fixed rate of 2.04 percent per annum
10 until the June 1, 2026. And then from
11 June of 2026, until maturity, which is
12 June 1, 2031, it will bear interest in
13 an annual fixed rate of 60 percent of
14 essentially prime right, with a maximum
15 interest rate not to exceed
16 two-nine-five -- 2.95 percent per annum.
17 They're the basic terms of the
18 borrowing.

19 I am happy to have, if you'd
20 like, Jamie, your financial adviser with
21 PFM, is here if you would like him to do
22 a little bit more of a summary of kind
23 of the process and the evaluation of the
24 financial terms, you know, it's

1 completely your call.

2 MR. WEIERMAN: Question.

3 MS. MAYES: Sure.

4 MR. WEIERMAN: It was
5 commented on the repayment and the
6 interest rates.

7 MS. MAYES: Yes.

8 MR. WEIERMAN: On the exhibits
9 it's showing a maximum rate at this
10 time.

11 MS. MAYES: The -- oh, yes.

12 MR. WEIERMAN: The first 10
13 years is not showing --

14 MS. MAYES: Correct.

15 MR. WEIERMAN: -- the proposed
16 rate.

17 MS. MAYES: That's the
18 maximum.

19 Did you bring --

20 MR. SCHLESINGER: I will speak
21 to this. Jamie Schlesinger, from Public
22 Financial Management.

23 The description in the
24 Ordinance, that's a little different

1 than real life, is related to the filing
2 with the ECDT. It's necessary to make
3 sure that the Commonwealth accepts the
4 final action that hopefully will occur
5 by the Borough.

6 Ultimately we show a maximum
7 number, even though it won't happen to
8 have the overall debt be descending
9 annual debt service when you look at the
10 combined annual debt service of the
11 Borough between the 2003 note and the
12 new note that you will be potentially
13 approving. So, it is just for technical
14 purposes.

15 MR. DeFINIS: Page 5 of your
16 handout explains that; correct?

17 MS. MAYES: Yes.

18 MR. SCHLESINGER: Correct.

19 MS. MAYES: Jamie...

20 MR. SCHLESINGER: Yes. If you
21 turn to Page 5. It will give you some
22 comfort.

23 MR. DeFINIS: Oh, I'm sorry,
24 Page 4.

1 MR. SCHLESINGER: Page 4.

2 Page 5 shows a different schedule, I'm
3 sorry -- I apologize for that. I will
4 talk about that in a second.

5 MS. HARPER: Was this document
6 that we are discussing now marked as an
7 exhibit?

8 MS. MAYES: Oh, it was not.
9 We should.

10 MS. HARPER: We should
11 probably do that.

12 MS. MAYES: That's fine.

13 MS. HARPER: B-5.

14 MS. MAYES: So, we are also
15 going to mark it as Exhibit, B-5. The
16 Report of Public Financial Management
17 prepared by the financial adviser, Jamie
18 Schlesinger. It's entitled Bank Loan
19 Sale Document.

20 (Bank Loan Sale Document
21 marked Board's Exhibit No. 5, for
22 identification.)

23 MS. MAYES: Thank you.

24 MR. SCHLESINGER: Page 4 of

1 this document, this would be the worse
2 case scenario expected debt service
3 schedule, assuming the Borough uses all
4 \$4 million for the projects, and it also
5 assumes the actual interest rate for the
6 10-year period at 2.01 percent, and then
7 it also assumes the worse case scenario
8 of an interest rate from years 11
9 through 30, 2.95.

10 So for purposes of
11 budgeting -- this assumes even drawing
12 all the money at settlement, which of
13 course will not happen. So the annual
14 overall payment of the Borough, when you
15 include the existing annual debt service
16 from the 2003 DelVal loan. In 2016 it
17 will be approximately \$76,000. In 2017
18 it will go as high as \$201,000. And
19 then from there potentially it would be
20 approximately \$452,000 thereafter. So,
21 there will be a level overall payment
22 for budgeting purposes.

23 In comparison, on Page 5, just
24 to give the Borough an idea of what the

1 value of the drawdown is, we made an
2 assumption of the draws for the
3 particular project -- in a conservative
4 fashion -- but in this case it gives you
5 an idea of what the payments will be the
6 first two or three years while you're
7 drawing the money.

8 So, the benefit here is
9 approximately \$70,000 of interest,
10 that's on the bottom of column four,
11 which shows an \$821,059 total interest,
12 in comparison to the previous page which
13 is \$898,000 and change.

14 So, just from the value of the
15 draw you save a whole bunch of money --
16 obviously depending on how fast or slow
17 you spend it, it will adjust for that,
18 but it will give you an idea of how it
19 will look.

20 MS. HARPER: That would be
21 over the life of the loan?

22 MR. SCHLESINGER: That's
23 correct.

24 MS. HARPER: But from the

1 Borough's perspective, the ability to
2 draw the money down as needed will also
3 reduce the repayment?

4 MR. SCHLESINGER: Well, the
5 principle payments will be established
6 as is at settlement.

7 MS. HARPER: At settlement.

8 MR. SCHLESINGER: But if you
9 don't use all the money we would
10 reestablish that amortization table. So
11 it could be two-and-a-half million there
12 effectively -- because you're using all
13 \$4 million and assuming some sort of
14 draw schedule.

15 MS. MAYES: The drawdown
16 nature though does save you interest on
17 money that you are not ready to use. So
18 you wait and you draw it down when you
19 are ready to pay an invoice, and
20 therefore you don't have it sitting
21 earning nothing.

22 MS. HARPER: Right. But it
23 also effects how the Borough budgets go.
24 I just want to make sure everybody's

1 clear on that.

2 MR. SCHLESINGER: We did look
3 into the cash flow of the Borough and
4 feel comfortable that things will work
5 out favorable in regard to the payback.

6 The only other thing I want to
7 point out, as you know, we went into a
8 lot of detail last meeting. The other
9 change was the breakdown of the costs
10 associated with financing, on Page 6.
11 This is the expected sources and uses --
12 again assuming you use all \$4 million.
13 One major difference is the amount of
14 money available for the project
15 increased to \$3,944,250. That is
16 because the estimated cost issuance
17 previously was higher.

18 Now we have narrowed it down,
19 the cost you pay to us, to Cozen
20 O'Connor, the Solicitor, and bank fees
21 are shown there. We get paid \$27,500
22 and a legal fee combination \$23,500,
23 bank fees \$1,500, and some
24 miscellaneous. It may be less, but

1 again it's the ultimate cost of the
2 project. You will have a little more
3 money than shown at the last meeting.

4 Finally, if all things go as
5 planned we expect to settle on May 25th.
6 That's when you will have the money
7 available for projects.

8 MR. KEIB: I have a question
9 for Suzanne. You mentioned the
10 electoral versus nonelectoral.

11 MS. MAYES: Yes.

12 MR. KEIB: What are the limits
13 for the nonelectoral debt?

14 MS. MAYES: Let me pull that.

15 MR. SCHLESINGER: While
16 she's pulling that --

17 MS. MAYES: So for straight
18 nonelectoral debt it's 250 percent of
19 your borrowing base, which is an average
20 of your three-year revenue essentially.

21 And then if you also add to
22 it -- there's also a separate limit
23 which applies to both your nonelectoral
24 debt and lease/rental debt, if you were

1 to have any, and that then becomes the
2 combined. The aggregate of those two
3 types of borrowing, you are limited to
4 250 percent of your borrowing base.

5 And your borrowing base, like
6 I said, is essentially gross revenue --
7 an average of your gross revenue over
8 the last three years, four years, with
9 certain deductions. But you really have
10 had no deductions generally.

11 MR. KEIB: After calculating
12 the revenue of the Borough, what is
13 our --

14 MS. MAYES: Your borrowing
15 base number is \$6,624,462.

16 MR. KEIB: We are well under
17 that then?

18 MS. MAYES: Oh, yes, you are.
19 I mean I can give you the nonelectoral
20 debt limit, which is 250 percent of that
21 borrowing base, is \$16,500,000 and
22 change. And the applicable limit for
23 nonelectoral debt, plus incidental debt,
24 is 350 percent of your borrowing base,

1 is \$23 million, approximately. So you
2 are well, well below your borrowing
3 limit.

4 MR. KEIB: Thank you very much
5 for going through it.

6 MS. MAYES: Certainly. Good
7 question.

8 MR. KEIB: Thank you. Make
9 sure we're under.

10 MS. MAYES: Yes.

11 MR. SCHLESINGER: That's one
12 things we checked on.

13 MR. KEIB: Yeah. I want to
14 hear it.

15 MS. MAYES: And actually a
16 filing is made -- as part of the filing
17 with the Department of Community and
18 Economic Development with the state, in
19 order to get approval, because the state
20 has to approve the occurrence of the
21 debt, they require a filing of both your
22 borrowing base calculation and your
23 current debt statement certified by the
24 Borough, so that they can, you know,

1 record and make certain that you are
2 within the requirements of the statute.

3 MR. KEIB: Very good to get
4 that on the record.

5 MR. WEIERMAN: Other
6 questions?

7 (No audible response.)

8 MS. HARPER: Now, from here,
9 Suzanne, after the hearing is closed,
10 also on the Borough Council's Agenda for
11 this evening is to actually take a vote
12 on the Ordinance. So, we will be doing
13 that later tonight.

14 MS. MAYES: That's fine.

15 MS. HARPER: What other
16 official action do they need to do?
17 Just that?

18 MS. MAYES: Yes, I believe
19 nothing else. I think we can close the
20 hearing if there are no other questions
21 or comments, and then we'll come back to
22 the actual consideration of the
23 Ordinance for enactment, and you will do
24 a roll call vote when you are ready to

1 consider it.

2 MS. HARPER: Okay.

3 And then your office will
4 prepare and send notices as necessary of
5 that action?

6 MS. MAYES: That's correct.
7 We will have published -- in fact, we
8 will send to the paper tomorrow morning
9 the Notice of Enactment. That's
10 required by the Debt Act, the Act that
11 governs and confirms the debt in the
12 state of Pennsylvania. And it will
13 notify the public that an Ordinance was
14 enacted, and give a summary of the final
15 terms of the accepted proposal, in
16 summary form.

17 And once we get proof of
18 publication back for that notice we will
19 file certified copies of both notices --
20 the Notice of Meeting and the Notice of
21 Enactment, together with the borrowing
22 base, debt statement, a fully executed
23 enacted Ordinance, and a transmittal
24 letter with the Department of Community

1 and Economic Development.

2 They have 20 days to review
3 the filing and supply an approval. And
4 we will not proceed to closing until we
5 have the DCED approval. And the
6 schedule that Jamie has put together and
7 has discussed with you takes into
8 account that 20-day cycle.

9 MS. HARPER: All right. And
10 then we should have all of that done
11 before the expected closing date of
12 May 25th.

13 MS. MAYES: That is correct.
14 And it was timed -- the closing date was
15 timed to allow that process to run. You
16 would not want -- you cannot issue the
17 debt until you have that approval.

18 MS. HARPER: Okay.

19 MR. WEIERMAN: Anyone else?

20 (No audible response.)

21 MR. WEIERMAN: Hearing none,
22 do I have a motion for closing the
23 hearing?

24 MR. FARRALL: I make that

1 motion.

2 MR. KROESSER: Second.

3 MR. WEIERMAN: Motion by
4 Council Farrell.

5 Second by Council Kressler.

6 All those in favor say aye.

7 MR. FARRALL: Aye.

8 MR. KEIB: Aye.

9 MR. KROESSER: Aye.

10 MR. STEVENS: Aye.

11 MR. WEIERMAN: Any opposed?

12 (No audible response.)

13 MR. WEIERMAN: Hearing is
14 closed.

15 - - -

16 (Whereupon, the hearing was
17 concluded, immediately followed by a
18 Motion.)

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1 MR. WEIERMAN: We can go to
2 Action Item 8-A, a Motion to Approve
3 Ordinance No. 522 Regarding the General
4 Obligation Note for the Municipal
5 Complex.

6 MR. FARRALL: I make that
7 motion.

8 MR. KEIB: Second.

9 MR. STEVENS: Second.

10 MR. WEIERMAN: Motion by
11 Council Farrall. And I will give it to
12 Council Keib.

13 And one of the exhibits here.

14 MS. MAYES: The very last
15 page.

16 MR. WEIERMAN: Well, actually
17 not an exhibit, just the Certificate of
18 Secretary on the last page. And by roll
19 call vote.

20 THE SECRETARY: President
21 Weierman.

22 MR. WEIERMAN: Aye.

23 THE SECRETARY: Vice-President
24 Farrall.

1 MR. FARRALL: Yes.

2 THE SECRETARY: Council Member
3 Keib.

4 MR. KEIB: Yes.

5 THE SECRETARY: Council Member
6 Kroesser.

7 MR. KROESSER: Yes.

8 THE SECRETARY: Council Member
9 Stevens.

10 MR. STEVENS: Yes.

11 THE SECRETARY: And that would
12 be all.

13 MR. WEIERMAN: Thank you.

14 MS. HARPER: Do we have
15 signature copies of that Ordinance?

16 MR. SCHLESINGER: Yes.

17 MS. HARPER: Technically, the
18 Mayor --

19 MS. MAYES: There's also an
20 approval line on the actual physical
21 Ordinance for the Mayor. Not part of
22 the roll call, but --

23 MS. HARPER: Right. Because
24 he has five days, but he's sitting here

1 tonight, so if he's got a problem he'll
2 let us know.

3 MAYOR KALER: I'll let you
4 know on day five.

5 (Laughter.)

6 MS. MAYES: Okay.

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8 (At 8:08 p.m., the proceedings
9 were concluded.)

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