

**BELLEFONTE BOROUGH
JOINT COUNCIL/AUTHORITY MEETING and
REGULAR COUNCIL MEETING OF JULY 2, 2012
www.bellefonte.net**

CALL TO ORDER

The regular meeting of the Bellefonte Borough Council was called to order at 7:00 p.m. by Council President Frank Halderman and by Authority President Joe Beigle in the Bellefonte Borough Municipal Building.

Pledge of Allegiance:

Following the Pledge of Allegiance, Council remained standing for a moment of silence.

COUNCIL ROLL CALL

Members Present: Wilson, Dainty, Brown, Schneider, Provan, Beigle, Halderman,

Members Excused: DeCusati, Dunne, McCullough, Confer

AUTHORITY ROLL CALL

Members Present: Beigle, Badger, Bechdel, Brown, Halderman, Thal,

Members Excused: Clark

Officials Present: Ralph Stewart, Borough Manager
Don Holderman, Assistant Borough Manager
Mayor Goldman

Staff Present:

Guests: Tim Schreffler; Holly Wilson; Jens Damgaard; Tom Schrack

**COUNCIL/AUTHORITY ACTION RELATED TO ENERGY PERFORMANCE
CONTRACT**

Attorney Jens Damgaard from Rhoads and Sinon will make the presentation and go over the documents. He serves as a bond/finance council with various loans and bond issues that the Authority and Borough have taken. The Authorities were successful in obtaining a proposal from Reliance Bank that was very favorable. It followed by six-months of interest only followed by 180 monthly payments of principal and interest. They asked in addition to a pledge of the appropriate revenue for the facility that was being improved. They also requested a guarantee by

the Borough, which has been commonplace. While discussing that they looked at an existing loan the Authority had for its water system. The new interest rate was better than the old one so there was thought of refinancing that as well. Mr. Stewart contacted the bank and they said certainly. They came with a commitment letter offering both finances. The necessary steps were taken to move that forward. The process that takes the longest between the two entities is the guarantee. Anytime taxing power is pledged, a process must be gone through with the State Department of Community and Economic Development where they review the documentation and approve that its content falls within the requirements of what is called Pennsylvania Local Government Unit Debt Act. That is the statute that governs any kind of debt by a Municipality.

The intent was to bring an ordinance before Council at its next meeting. Under that law the ordinance must be advertised in a special way. It has to be advertised at least three days prior to the board meeting rather than seven, but then it must be advertised a second time following the meeting. The ordinance was drafted and forwarded to Mr. Schrack to review. An ad was sent to the newspaper. They were assured by the newspaper that it would appear but unfortunately that did not come to pass. It was decided to go over the ordinance and summarize it and then bring it up for formal meeting at the next meeting. Then the financings will move forward. The closing would probably be the middle of August, at which time the original water loan that is refinanced will be paid off and then a new loan will be issued for the improvements.

There were improvements to the water and sewer system and in each case sewer revenues and water revenues were pledged for different financings. To keep the integrity of each revenue stream, the loan amounts for the energy savings projects were broken up to allocate a certain amount to water and a certain amount to sewer. A maximum of \$804,000 was allocated to sewer and the water note was \$396,000 so there will be two notes for that project. That way in the future, when you go to get another financing for water or sewer, they will know exactly how much is in front of them or in certain cases how much you will be sharing with me.

A resolution of the Authority accepting the offer from Reliance Bank to make those loans needs to be taken care of.

As far as the energy efficiency facilities, there were negotiations resulting in a fixed interest rate of 3.32%. That is a very favorable rate. The loan for the refinancing, which is relatively short, is going from 4.15% to 2.8%.

Resolution 07-02-12A approves the various documents required for this transaction. There will be two loan agreements - the Water Loan Agreement and the Sewer Loan Agreement. It also approves moving forward with Capital Projects. It also accepts the proposal of the bank. It approves the guarantee agreement. It authorizes the officers to sign the documents.

On the refinance there is no extension on the life of the loan. The money for the capital improvements will be like a line of credit that can be drawn on for six months. At the end of that period it is converted and the amortization begins.

The money being borrowed does not cover the entire cost of the improvements that will be made at the sewage plant and the system. SBWJA is participating, and they are doing their own financing for their portion of the project. Also a \$300,000 Safe Water Grant from the state is being applied to the water side of the project.

Mr. Badger made a motion to approve Resolution 07-02-12A. Mr. Brown seconded the motion. A voice vote was unanimous.

Proposed Ordinance #07162012-1 complies with the act necessary to approve a guarantee agreement. In that agreement the Borough will be pledging its whole faith credit and taxing power to make a payment in the event of any deficiency in the availability of revenues to be paid for any of the three notes. Paperwork signed by the engineer could be filed stating the revenues are sufficient to cover the debt service. In that event it will not count against the borrowing capacity. That is called self-liquidating debt. That is paperwork to be filed with the state at the same time the paperwork on the guarantee is filed. There is a statutory requirement for a sinking fund to be created that is more of an accounting function. It authorizes the officers to prepare and sign the paperwork.

This ordinance will be tabled until the meeting of July 16, 2012.

Mr. Damgaard thanked Council and the Authority for having a joint meeting.

Bill Comly, Public Works Superintendent, was recognized for his thirty year service anniversary with the Borough. He was presented a plaque to recognize his service. He was thanked for his service.

Mr. Bechdel made a motion to adjourn the Authority meeting. Mr. Thal seconded the motion. A voice vote was unanimous.

APPROVAL OF MINUTES

Ms. Dainty made a motion to approve the minutes of the Bellefonte Borough Council meeting of June 18, 2012. Mr. Beigle seconded the motion. Under the section where Mr. Provan thanked everyone for helping with the Cruise, the name of the Judge was not spelled correctly. Mr. Wilson reported that at the end of the discussion regarding Talleyrand Park, following a motion to deny the request from the Chamber of Commerce and Historic Bellefonte, Inc. for use of the Gazebo/Train Station section of Talleyrand, there was a motion and a second to table. A voice vote was unanimous to approve the minutes as corrected.

COMMUNICATIONS

WRITTEN

- A thank you letter was received from the PNC T-Ball players and parents for the donation and use of pavilion #5 at Governors Park to have their yearend picnic.

- A letter from Francis Bonfatto, Chair, Streets Committee, Bellefonte Arts & Crafts Fair, in regard to a Fashion Show that will be held on Sunday, August 19th, Noon to 5:00 PM. They request the use of the new section of Talleyrand Park as well as the Gazebo/Train Station section of Talleyrand Park for the planned functions.

Mr. Beigle made a motion to table both of the requests for the use of Talleyrand Park. Mr. Schneider seconded the motion. A voice vote was unanimous.

ORAL

- Shane Royer, Spring Mills, represented the Bellefonte Relay for Life. He expressed his joy to conduct the event at Governors Park. He thanked Council, the Borough, the Borough Employees, Bob Dorman, and Bill Comly. He thanked Dave Provan for the stage. The police officers made periodic checks throughout the park. The street sweeper was a tremendous help. The garbage pickup was great. They raised approximately \$105,000.00.

- Mr. Wilson made a motion to appoint Tim Shreffler as the new Fire Department Chief as per the recommendation. Mr. Beigle seconded the motion. A voice vote was unanimous. Mayor Goldman conducted the swearing in of Mr. Shreffler.

- John McMullen owns property at 106-108 West Bishop Street next to the Cadillac Building. He has been patient since the Cadillac Building burned down three years ago. There is scaffolding sitting next to the front door of his property. Now the foundation of the Cadillac Building is beginning to deteriorate. Mr. McMullen wants to know why the deadline for making repairs has been moved back.

Mr. Schneider made a motion that the building immediately, within the next five days, become secured and boarded properly; if the owner is not willing to secure the building then, the Borough should do it and put a lien on the property. Ms. Dainty seconded the motion. A voice vote was unanimous.

Mr. Schneider made a motion that the owner receive certification from a Registered Professional Engineer in the Commonwealth of Pennsylvania with expertise in structural engineering to verify the soundness of the building in its current state and, if it is not sound, have that same engineer make recommendations. The owner must then follow those recommendations, with the report being completed in the next fourteen calendar days. Ms. Dainty seconded the motion. A voice vote was unanimous.

SPECIAL COMMITTEE REPORTS

- Mr. Beigle reported everything is going well with the Airport Authority.

MAYOR'S REPORT

- Mayor Goldman had nothing to report.

OFFICE OF COMMUNITY AFFAIRS

ZONING/PLANNING

CERTIFICATES OF APPROPRIATENESS

1) 119 East High Street/Replace asphalt shingle roof to match existing. Install membrane waterproofing for arched dormer roofs and window sills. Rehabilitate original dormer

windows and install new exterior storm windows. Reconstruct wood brackets, soffit, fascia, and roof coping as the budget allows.

2) 231 North Spring Street/Install 48" high painted aluminum fence to enclose the rear yard.

Ms. Dainty made a motion to approve both Certificates of Appropriateness as presented. Mr. Schneider seconded the motion. A voice vote was unanimous.

The June 26, 2012 HARB meeting minutes are in the packet for review.

COMMITTEES

Building & Property – There was no report.

Finance and Government Performance – There was no report.

Park & Recreation – Mr. Stewart received an email from the YMCA informing him that the number of people attending Kepler Pool this June was considerably higher than last year.

Human Resources – There was no report.

Safety – Mr. Schneider made a motion to approve the Generator Bid to Fire Rescue Products in the amount of \$24,747.71. Mr. Provan seconded the motion. This was the highest bid received. The low bid was disqualified because they did not have the required bid bond in the package and the bid was received late. The middle bid was disqualified because in the bid specification it was indicated that the manufacturer of the generator needed to be in the business and making generators for motorized fire apparatus for twenty years and they were only making them for seventeen. They will be notified as to why their bids were rejected. A voice vote was unanimous.

Water/Sanitation – There was no report.

Streets – There was no report.

Energy & Environmental Conservation – There was no report.

Junior Council Report – There was no report.

OLD BUSINESS

- Mr. Stewart met with Columbia Gas regarding upcoming projects. Because of security issues, they are not allowed to give out maps, but they did provide a list of streets where the steel pipe is still in the street or under the sidewalk. Most of those streets are from Howard Street north. At the next Streets Committee meeting they will review the list. Project cost sharing was discussed. Those efforts will be coordinated in the next several years. There are no major projects in the Borough this year.

NEW BUSINESS

- The Borough must have their own Building Code Board of Appeal. There was discussion to use the Housing Board for this position. If the Borough appoints the entire County Board it will satisfy the requirement.

ADJOURNMENT

- With no other business to come before Council, Mr. Wilson made a motion to adjourn the meeting of July 2, 2012 at 7:45 PM. Mr. Provan seconded the motion. A voice vote was unanimous.

Council went into Executive Session.