

Special Joint Meeting of the Highspire Borough Authority and Highspire Borough Council

July 30, 2009

The joint meeting of the Highspire Borough Authority and Highspire Borough Council (contemporaneous meetings) came to order at 6:03 p.m.

Council Members Present: Marie Hoch
Carolee Roman
A. Kay Sutch
Charles Dengler
Dottie Matesevac
Jared Goughnour
James Titus

Council Member Charles Dengler was absent.

Mayor: John Hoerner
Borough Manager: John McHale
Assistant Borough Secretary: Jennifer Rabuck
Solicitor: Dave DeLuce

Borough Authority: Bob Sutch
Mike Chubb
Von Hess

Authority Members Isaac Cole and Bob Huff were absent.

Engineer: Michele Braas
Solicitor: Kent Patterson

Also present for both bodies were Paul Lundeen of Rhoads & Sinon LLP (bond counsel); William J. Carlin, Jr. for PNC Capital Markets LLC (bond underwriter); and Scott Shearer of Public Financial Management, Inc. (PFM) (financial advisor).

Citizen's Comments

None

Bond Issue for the Plant Upgrade

Mr. Paul Lundeen, of Rhoades & Sinon LLP, noted the purpose of this special meeting was to take action on the financing for the Highspire Waste Water Treatment Plant Upgrade. The meeting was advertised and any ordinances in question were available for review. Mr. Lundeen went over the handout that was presented to Council. These handouts included the cost estimates to the project being presented.

Mr. Bill Carlin, of PNC, presented his handout which included the finance and rates of the bond issue. Highspire's share of the project is \$1.8 million and the bond issuance is \$2 million six hundred and twenty dollars. He noted that the first 6 months of interest would be capitalized. He

stated the bond would be amortized to the year 2032. It was noted there is a five year call on the new bonds which would allow Council to refinance if interest rates would be lower at that time. Further presentation was held on the finance and rates of the bond issuance.

Mr. Scott Shearer, of PFM, went over another hand out that highlighted how the Borough was able to benefit from getting a lower interest rate with the A+ rating the Borough received. He then went on to explain the remaining pages in his hand out.

Mr. Lundeen noted the bond purchase agreement between the Borough and the underwriter has been presented to Council for acceptance. Mr. Lundeen read over some important aspects of the bond purchase agreement and asked for questions regarding the issuance. He explained that the purchase agreement and the ordinance authorize the issuance of general obligation bonds by the borough which are anticipated to be paid from sewer revenue funds (user fees). However, the borough is pledging its taxing power to pay bondholders if necessary. He also explained that the bond issue would not go against the debt limits of the borough for general purpose borrowing under PA law.

Member Hoch had questions regarding the additional funds that would be spent to upgrade old sewer lines.

President Marie Hoch asked members of the Highspire Borough Council for a motion to approve Borough Ordinance 576 of 2009, which will authorize the issuance of the bonds and approve a Third Supplemental Agreement of Lease. Motion made by Member Goughnour, seconded by Member Titus. A roll call vote was taken:

Member Goughnour	Aye
Member Titus	Aye
Member Roman	Aye
Member Matesevac	Aye
Member Sutch	Aye
Member Hoch	Aye

Motion approved unanimously.

Mr. Lundeen then explained the contents of the Highspire Borough Authority's Resolution and asked for questions pertaining to it.

Authority Chairman Von Hess asked members of the Highspire Borough Authority for a motion to approve a resolution in conjunction with the issuance of the bonds and approve a Third Supplemental Agreement of Lease. Motion made by Member Bob Sutch, seconded by member Mike Chubb. Motion approved unanimously. A copy of the resolution is attached to these minutes.

Old Business

None

New Business

Assistant Borough Secretary Jennifer Rabuck presented the idea of applying for the PA Conservation Grant. Through this grant the Borough must show they are reducing their energy consumption by at least 25%. It was noted that final approval would be needed at the next

workshop meeting as the grant by be applied for by August 14, 2009. Council agreed for Mr. Rabuck to look into the grant and bring to council for approval at their next workshop meeting.

Chairman Hess noted the next Authority meeting would be on the second Thursday of August instead of the third Thursday to conform to the time restraints of the bid award.

Council Member Matesevac made a motion, seconded by Council Member Goughnour to adjourn the joint meeting at 6:37 p.m. Motion approved unanimously.

Authority Member Sutch made a motion, seconded by Authority Member Chubb to adjourn the joint meeting at 6:38 p.m. Motion approved unanimously.

Respectfully submitted,

Jennifer Rabuck
Assistant Borough Secretary