

MINUTES OF THE 04/05/2021 SPECIAL MEETING

A meeting of The Municipal Authority of the Borough of Lewistown was held at 70 Chestnut St., Lewistown, a Zoom teleconference option was offered due to COVID social distancing restrictions.

BOARD MEMBERS PRESENT: Berrier, Miller, Rager, Rocco (Via Zoom)

BOARD MEMBERS ABSENT: Bargo

BOARD MEMBERS LATE: None

OTHERS PRESENT: Bubb, Consiglio, Hassinger, Ward

OTHERS ABSENT: None

OTHERS LATE: None

PUBLIC PRESENT: Thomas Smida – Mette, Evans & Woodside, P.C.
Various Public Participants via Zoom Meeting

PUBLIC COMMENT:

Thomas Smida provided the details of draft Resolution 4-2021 (Resolution) and the draft Subsidy Agreement related to Lewistown Borough retiring MABL debt and issuing new debt via a general obligation bond. The draft Resolution provides the arrangement and Subsidy Agreement to make this happen. Smida noted section 2 of the Resolution has specific language related to the new bond issue; payments do not exceed the current debt service payments for indebtedness. The draft Subsidy Agreement outlines the obligation and pledge to repay. The final savings are not priced at this time. Berrier inquired about the current interest rate environment. Smida advised the rates have been consistent for the past week and the benchmark typically used is the 10-year treasury rate. Rager pointed out the PFM study done for Lewistown Borough. The net estimated savings are \$631,481 and the repayment schedule was reduced by seven years. The savings would be realized by Lewistown Borough. A question from Jeff Fishbein in attendance via Zoom meeting was entertained by Chairman Rager. Could the same refinancing model be undertaken by the Authority at the same cost, thus the Authority maintaining its independence? Smida stated no, not with the same amount of savings based on the current debt service reserve fund, eliminating the debt and a real savings of estimated \$600,000. Bubb inquired on the Authority's direction moving forward with capital projects? How are the pending projects impacted? Smida advised the Authority to live within its means of the budget and Subsidy Agreement. An option to go to local banks was offered by Smida. Smida also stated the collateral of the Subsidy Agreement pledged to Lewistown Borough would make borrowing more expensive, however, the Lewistown Borough could assist the Authority. Berrier questioned how the funds held in the debt service reserve would be used. Smida said the funds would be utilized only to pay down the debt, reducing the principal amount of the debt.

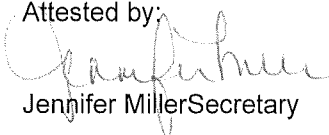
Ron Napikowski of Derry Township provided a public comment related to any development in the community outside of Lewistown Borough and if those would be controlled, or need approved by Lewistown Borough Council.

Discussions related to the benefits to the Authority continued. It was noted by Hassinger there would be no funds available to the Authority due to the refinancing and also a question of the benefit to the Authority's longevity based on the reduction in payment terms. Bubb questioned the savings related to the PennVest portion of refinancing based on the current interest rate of 1%.

A Berrier/Miller motion to adopt Resolution 4-2021 and the Subsidy Agreement was approved 3-1 after a roll call vote. Berrier-Yes, Miller-Yes, Rocco-No, Rager-Yes.

A Berrier/Miller motion to adjourn the meeting at 2:00 p.m. was approved 4-0.

Attested by:


Jennifer Miller Secretary

MINUTES OF THE 04/09/2021 SPECIAL MEETING

A meeting of The Municipal Authority of the Borough of Lewistown was held at 70 Chestnut St., Lewistown, a Zoom teleconference option was offered due to COVID social distancing restrictions.

BOARD MEMBERS PRESENT: Bargo (Via Zoom), Berrier, Miller, Rager, Rocco (Via Zoom)

BOARD MEMBERS ABSENT: None

BOARD MEMBERS LATE: None

OTHERS PRESENT: Bubba, Gaines, Hassinger, Ward

OTHERS ABSENT: None

OTHERS LATE: None

PUBLIC PRESENT: Various Public Participants via Zoom Meeting

PUBLIC COMMENT:


None

The funding numbers and cash availability for capital projects related to Resolution 4-2021 were discussed. Berrier stated the MABL Board should have a say in how the transactions will occur and there would be no borrowing ability for capital projects. Gaines described the role of PFM financial advisors in the and suggested PFM attend and provide input. Ward expressed the need for access to funds for pending capital projects. Rager supported the need for funding for infrastructure needs as well as emergency situations. Bubba provided details on the upcoming Valley Street project in Lewistown and the potential for a spillway rehabilitation project in Armagh Township; both projects require capital that is not currently available. The need for a specific dollar amount was discussed and tabled until after scheduled discussion between the parties is completed.

A Berrier/Rager motion to adopt rescind Resolution 4-2021 and the Subsidy Agreement was approved 4-1 after a roll call vote. Miller-Yes, Berrier-Yes, Bargo-No, Rocco-Yes, Rager-Yes.

A Berrier/Miller motion to adjourn the meeting at 2:00 p.m. was approved 5-0.

Attested by:



Jennifer Miller Secretary