

BOROUGH OF EDGEWOOD
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BOROUGH OF EDGEWOOD
MINUTES OF THE COUNCIL MEETING OF OCTOBER 21, 2013

President Schaefer called the meeting of the Borough of Edgewood to order at 7:31 pm in the Municipal Building.

ROLL CALL

Upon roll call, the following responded: Mr. Bright, Dr. Wallace, Mr. Wainright, Ms. Gleba, Mr. Fuller and Ms. Schaefer.

Mayor Cook and Solicitor Barry were also present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ITEMS FROM THE FLOOR

Adriana Maguiña-Ugarte - 522 Greendale Avenue

Ms. Maguiña-Ugarte spoke on behalf of the Regent Square Civic Association's South Braddock Avenue Traffic, Pedestrian and Bicycle Safety Committee. She asked that Council consider participating in a Road Safety Audit of S. Braddock Avenue. Ms. Schaefer said Council would be discussing the audit.

M-1 Ms. Gleba moved to approve the minutes of September 16, 2013. Second by Mr. Fuller.

DISCUSSION: None

The aye vote on the motion was unanimous. **Motion carried.**

M-2 Ms. Gleba moved to approve the minutes of October 7, 2013. Second by Mr. Wainright.

DISCUSSION: None

The aye vote on the motion was unanimous. **Motion carried.**

AUTHORIZATION TO PAY BILLS

M-3 Ms. Gleba moved to authorize the payment of bills, for goods and services received by the Borough, having been reviewed and approved by the General Government Committee, from the General Fund, in the amount of \$24,996.93 and from the Sewer Fund in the amount of \$0 for a total of \$24,996.93. Second by Mr. Wilson.

DISCUSSION: Ms. Gleba said this included refund checks for property taxes that have been lowered through appeal hearings.

Upon roll call vote the following responded yes: Mr. Bright, Dr. Wallace, Mr. Wainright, Ms. Gleba, Mr. Fuller and Ms. Schaefer. **Motion carried.**

EXECUTIVE SESSION was called at 7:42 pm to discuss potential litigation, real estate and personnel matters. The session ended at 8:48 pm.

GENERAL GOVERNMENT Ms. Gleba said the 2014 budget would be discussed at the Committee of the Whole.

POLICE REPORT Mayor Cook said the police department was preparing for the Halloween parade and would be giving out glow sticks to trick-or-treaters.

PUBLIC SAFETY Mr. Fuller said the committee met to discuss security cameras in the borough building and the sergeant promotional testing. The committee recommends that Council hire additional part-time police officers.

COMMUNITY DEVELOPMENT Dr. Wallace said the committee met and reported in executive session on this meeting.

PUBLIC WORKS Mr. Fuller said the committee did not meet.

COMMUNITY SERVICE Mr. Wainright said the Fall Festival Hayrides would be held Oct. 26th from 7-9 pm.

PERSONNEL Mr. Fuller said the committee did not meet.

PENSION Mr. Bright said the committee met to discuss the pension fund's investment performances.

AD HOC COMMITTEES

3 RIVERS WET WEATHER DEMONSTRATION PROJECT/CONNECT The 3RWW conference was held last week and attended by Ms. Bastianini.

SOLICITOR'S REPORT Solicitor Barry said he had been working with Manager Cecconi on the PNC Loan documents for road paving.

BOROUGH MANAGER'S REPORT Manager Cecconi explained the borough building window replacement project, and that the current window air conditioning units would not fit in the new windows. He said over 100 people received flu shots from Eastern Area Services, and that the Borough was still waiting on final approval from DCNR for the playground bid specs.

NEW BUSINESS A Committee of the Whole meeting will be held Oct. 28th at 7 pm.

COMMITTEE ACTION

M-4 Ms. Gleba read the following ordinance:

ORDINANCE No. 1044, Enacted November 4, 2013

of

BOROUGH OF EDGEWOOD

(Allegheny County, Pennsylvania)

\$1,000,000

GENERAL OBLIGATION NOTE, SERIES OF 2013

WHEREAS, the Governing Body of the above-named Local Government Unit (the "Local Government Unit") deems it advisable to borrow the amount shown above, pursuant to the Local Government Unit Debt Act (the "Act"), for the purpose of acquiring, constructing, improving or renovating the building, facilities or other physical plant, purchasing or obtaining the equipment and/or otherwise acquiring the capital items listed on Exhibit P hereto (the "Project"); and

WHEREAS, the Local Government Unit has obtained estimate(s) of the cost(s), and has determined the useful life, of the Project by any one or more of the following methods: taking bids, obtaining an option for a fixed price contract or obtaining estimates from registered architects, professional engineers or other persons qualified by experience; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION (the "Bank") has presented a written term sheet (the "Purchase Contract"), attached hereto as Exhibit PC, to purchase a note to be issued by the Local Government Unit in order to achieve the financing of the Project;

NOW, THEREFORE, it is hereby enacted that:

Section 1 -- Authorization.

1.01. The Local Government Unit hereby authorizes the incurrence, and the increase of its nonelectoral indebtedness in the principal amount set forth above, to be evidenced by an installment note (the "Note"), in the form attached hereto as Exhibit N, in order to pay the costs of the Project. The Note will be dated the date of its delivery, will bear interest at the rate and will be payable (or will be subject to redemption or will mature) on the dates shown on the Note.

1.02. The Council President, Vice President and the Secretary or their duly elected and acting successors (the "Designated Officers") are hereby authorized and directed to execute and deliver such documents, and to do and perform all acts necessary and proper for the issuance and further security of the Note, including its execution and sealing and delivery to the Bank.

Section 2 -- Preparation of Debt Statement.

As required by §8110 of the Act, the Designated Officers of the Local Government Unit are hereby authorized and directed to prepare, certify, execute and acknowledge the Debt Statement, and its accompanying Borrowing Base Certificate, forms of which are attached hereto as Exhibit DS, and to file the same with the Department of Community and Economic Development.

Section 3 -- Security and Payment of Note.

3.01. The Note shall be a general, full faith and credit, unlimited tax obligation of the Local Government Unit. The Local Government Unit hereby covenants with the Bank and with subsequent holders, from time to time,

of the Note that it will (a) include the amount of the debt service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, (b) appropriate such amounts to the payment of such debt service and (c) duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates at the place and in the manner stated therein according to the true intent and meaning thereof; for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and taxing power.

3.02. The Local Government Unit does hereby create, and orders to be established (in its name and identified by reference to the Note), a Sinking Fund for the payment of the Note with the Bank, and does further covenant to maintain such Sinking Fund with a bank, in accordance with the Local Government Unit Debt Act, until the Note is paid in full. The Designated Officer is hereby authorized and directed to contract with the Bank for its services in such capacity, except as the same may be included in the Purchase Contract.

Section 4 -- Tax Covenants.

4.01. The Local Government Unit hereby covenants that no part of the proceeds of the Note will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Note, would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations thereunder applicable to the Note and that it will comply with the requirements of that Section and the Regulations throughout the term of the Note.

4.02. If: (a) the principal amount of the Note plus the aggregate principal amount of all other tax-exempt obligations issued and to be issued by or on behalf of the Local Government Unit during the current calendar year exceeds \$5,000,000 (\$15,000,000 in the case of certain debt issued for educational purposes); and if (b) the gross proceeds of the Note are invested at a yield greater than the yield on the Note; and if (c) the gross proceeds of the Note are not expended or deemed to have been expended either within six months from the date of issuance, or, if the Project is a construction project, within two years from the date of issuance (and according to certain periodic expenditure thresholds), all pursuant to §1.148.7 of the Regulations, the Local Government Unit covenants that it will rebate to the U.S. Treasury, at the times and in the manner required by the Code, the difference (if a positive number) between the investment income received on the Note proceeds and the investment income that would have been earned had the Note proceeds been invested at the yield of the Note.

4.03. The Local Government Unit hereby designates the Note as a Qualified Tax-Exempt Obligation pursuant to Section 265(b)(3) of the Code and represents that the total amount of obligations designated and to be designated by or on behalf of the Local Government Unit during the current calendar year does not and is not expected to exceed \$10,000,000.

4.04. The Local Government Unit will file IRS Form 8038-G (or 8038-GC if applicable) and any other forms or information required by the Code or the Regulations to be filed with the Internal Revenue Service in order to further ensure the exclusion of the interest on the Note from gross income tax for federal income tax purposes.

Section 5 – Events of Default

The occurrence of any of the following events shall be deemed an Event of Default:

(a) Default in the payment of principal or interest on the Note for a period in excess of fifteen (15) days or any other default under the terms of the Note; or

(b) Default in the performance of any covenant or agreement set forth in this Debt Ordinance or in the Note or the occurrence of a default under any other agreement between the Local Government Unit and the Bank; or

(c) Any representation or warranty made by the Local Government Unit is untrue or incomplete in any material respect or any schedule, statement, report, warranty, representation, notice or writing furnished by the Local Government Unit pursuant to this Debt Ordinance is untrue or incomplete in any material respect on the date as of which the facts set forth are stated or certified; or

(d) The Local Government Unit shall fail or refuse to comply with any provisions of the Local Government Unit Debt Act, or shall for any reason be rendered incapable of fulfilling its obligations hereunder or thereunder; or

(e) The Local Government Unit shall become insolvent or shall be unable to pay its debts as they mature, or the Local Government Unit shall cease operations, file a voluntary petition in bankruptcy or a voluntary petition seeking reorganization or to effect a plan or other arrangement with creditors, or shall file an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition pursuant to any Act of Congress relating to bankruptcy, or shall be the subject of any order for relief, or shall make an assignment for the benefit of creditors or make an assignment to an agent (authorized to liquidate any substantial amounts of the assets of the Local Government Unit), or shall apply for or consent to or suffer the appointment of a receiver or trustee for the Local Government Unit or a substantial part of its property; or

(f) An order for relief shall be entered pursuant to an Act of Congress or any law of the Commonwealth of Pennsylvania relating to bankruptcy with respect to an involuntary petition seeking reorganization of, or an order shall be entered appointing any receiver or trustee for, the Local Government Unit or a substantial part of its property, or a writ or warrant of attachment or any similar process shall be issued against a substantial part of the property of the Local Government Unit, or an order shall be entered at either the state court level enjoining or preventing the Local Government Unit from conducting all or any part of its business as it is usually conducted, or garnishment proceedings shall be instituted by attachment, levy or otherwise, against any deposit balance maintained, or any property deposited, with the Bank by the Local Government Unit.

Upon the occurrence of an Event of Default specified in clause (e) or (f) above, the outstanding principal balance and accrued interest under the Note, together with any additional amounts payable thereunder or herewith shall be immediately due and payable without demand and without notice of any kind, at the Bank's option. Further, at the Bank's option, the Note will bear interest at the Default Rate (as defined in the Note) from the date of the occurrence of the Event of Default, and the Bank may exercise from time to time any of the rights and remedies available under the loan documents or under applicable law.

Section 6 – General Covenants.

6.01. The Designated Officers hereby covenant and are hereby directed to provide to the Bank, a copy of the audited financial statements of the Local Government Unit (beginning with the statements for its fiscal year

ending December 31, 2013) no later than 150 days, and a copy of the budget of the Local Government Unit no later than 150 days, after each fiscal year end of the Local Government Unit while the Note is outstanding. Such audit shall be prepared by an independent accounting firm, in accordance with generally accepted accounting principles for governmental units, presented using a cash basis format, and otherwise acceptable to the Bank.

6.02. The Local Government Unit further covenants to provide additional operating information or reports to the Bank, upon the Bank's reasonable request.

6.03 The Local Government Unit shall maintain its primary depository account(s) with the Bank until the Note is paid in full.

Section 7 -- Award.

Having determined that a private sale by negotiation of the Note is in the best financial interest of the Local Government Unit, the Governing Body hereby awards and sells the Note to the Bank in accordance with the Purchase Contract which, as presented at this meeting, is hereby accepted and shall be executed by the Designated Officers.

Section 8 -- Note Ordinance a Contract.

This Ordinance shall be deemed to be a contract with the holders, from time to time, of the Note.

Second by Mr. Fuller.

DISCUSSION: None.

Upon roll call vote the following responded yes: Mr. Bright, Dr. Wallace, Mr. Wainright, Ms. Gleba, Mr. Fuller and Ms. Schaefer. **Motion carried.**

M-5 Ms. Gleba moved to advertise Ordinance 1044. Second by Mr. Wainright.

DISCUSSION: Manager Cecconi said PNC would issue the advertisement.

The aye vote on the motion was unanimous. **Motion carried.**

M-6 Mr. Fuller moved to advertise for possible openings for part-time police officers. Interested applicants can submit applications to Chief Payne. Second by Mr. Wainright.

DISCUSSION: None

The aye vote on the motion was unanimous. **Motion carried.**

M-7 Mr. Fuller moved to hire Jeff Cooper as a part-time public works employee. Jeff will help public works during the leaf collection season and will be paid \$10.00 per hour. Second by Mr. Wainright.

DISCUSSION: None

The aye vote on the motion was unanimous. **Motion carried.**

M-8 It was moved by Mr. Fuller and seconded by Ms. Gleba to adjourn at 9:35 pm.

DISCUSSION: None.

The aye vote on the motion was unanimous. **Motion carried.**

Warren Cecconi, Borough Manager