



Ebensburg Borough Council Meeting
Monday, November 27, 2017
6:30 p.m.

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Borough Council
Doug Tusing, President
Susan Barber, Vice-President
John Cobaugh
Cecilia Houser
Theresa Jacoby
Dave Kuhar
Joe Miller
Mayor
Randy Datsko

AGENDA

CALL TO ORDER & PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Members of the public are invited to comment at this time on any item appearing on the agenda.

1. CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine and will be acted upon by a single motion. There will be no separate discussion of these items unless members of the Council request specific items to be removed for separate action.

Item 9A: Approve the minutes of the October 23, 2017 regular monthly meeting of Borough Council.

Item 9B: Approve the Financial Statement.

Item 9C: Approve payment of bills.

Recommended Action – Approve the consent agenda.

2. APPOINTMENTS TO ADDRESS COUNCIL

3. MAYOR'S REPORT

Item 3A: Report on Police Department

4. COUNCIL PRESIDENT COMMENTS

Item 5A: Report from Severn Trent Services on Wastewater Plant Operations

Plant Supervisor Mark Wirfel will provide a verbal report on projects and activities at the wastewater plant during the month.

Recommended Action – No action required.

Item 5B: Wastewater Project Update

Approximately 300 easements have been mailed to affected properties. Tuesday, November 28th between Noon and 7 p.m. has been set aside for owners to come in and ask questions about their specific easement. The goal is to have 100% of the easements signed by the end of this year.

The project will be advertised for bids on December 3rd. Bids will be opened on January 15th and awarded on February 19th. The tentative PENNVEST closing date is April 19th. Notice to the contractor to proceed should be issued on April 16th, and the project will be completed June 30, 2019.

Recommended Action – No action required.

Item 5C: Agreement of Lease Amendment and Loan Guaranty

PENNVEST has approved a loan for 100% of this project in the amount of \$9 million. The loan is for 25 years, with 1% interest for the full term. It will be necessary for the Borough to guarantee the PENNVEST loan. In accordance with the Unit Debt Act, Council will need to adopt a Guaranty Agreement by Ordinance. The Borough Manager has drafted the enabling Ordinance, the required guaranty agreement, promissory note, debt statement, and borrowing base certificate for tentative adoption. The Borough and Authority solicitors will review those documents for compliance. The Manager has also compiled a Self-Liquidating Debt Report to be certified by the Authority's Engineer. Those documents are included in the proposed Ordinance.

PENNVEST also requires with every new loan that the Lease Agreement between the Borough and Municipal Authority be updated to reflect the new loan. Revisions to the Lease Agreement are also included in the proposed Ordinance.

Recommended Action – Grant tentative approval to Ordinance #639 authorizing a PENNVEST loan guaranty in the amount of \$9,000,000 on behalf of the Ebensburg Municipal Authority for a wastewater system improvement project, and revisions to the Lease Agreement.

Item 5D: Bridge Loan

The Municipal Authority will require a short-term bridge loan in order to pay project expenses while waiting on PENNVEST reimbursement. The bridge loan will be in the amount of \$1 million for a two-year term. This separate loan will also require separate Unit Debt Act compliance, as described above for the PENNVEST loan.

Recommended Action – Grant tentative approval to Ordinance #640 authorizing a bridge loan guaranty in the amount of \$1,000,000 on behalf of the Ebensburg Municipal Authority for a wastewater system improvement project.

Item 5E: Borough Property Wastewater Project Easements

Last month, Council approved six easements relative to the Municipal Authority’s upcoming wastewater project. One additional easement has been requested at the west edge of Memorial Field across from Laurel Medical. A map illustrating the easement is included in the packet. The proposed easement does not adversely affect future use of the property.

Recommended Action – Approve an easement to the Ebensburg Municipal Authority in conjunction with the upcoming wastewater and stormwater collection system project.

Item 5F: Fluoridation

The Municipal Authority reconsidered its earlier decision to cease adding fluoride to the water. Members agreed to postpone a final decision until spring, when all board positions have been filled and the new member has had the opportunity to become familiar with operations. In the meantime, fluoridation will continue.

Recommended Action – No action required.

6. RECREATION COMMITTEE	Barber & Jacoby
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7. STREET COMMITTEE	Cobaugh, Miller & Houser
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8. ADMINISTRATION COMMITTEE	Barber, Jacoby & Kuhar
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Item 8A: Non-Uniform Pension Plan

Council was presented with the Minimum Municipal Obligations (MMO) for the employee pension plans in September. The MMOs are required to be adopted by September 30th of each year, but can be amended up until the budget is adopted. Council was advised that a change may be necessary once the biennial plan valuations are received.

Those updated valuations have been received. The Police MMO was already calculated based on the updated valuation, so no changes are necessary. However, several actuarial changes in the non-uniformed plan valuation will necessitate an amendment to that MMO.

The actuarial changes include a lower inflation assumption, lower interest rate assumption and adjusted mortality assumptions. Those changes alone have increased the plan’s actuarial accrued liability by \$245,000. The plan had been funded to 88.4% of the accrued liability. That funding ratio has now dropped to 72.3%. That results directly in the amortization payment component of the MMO being increased from \$24,729 to \$66,148. The borough’s share of the MMO will increase from \$17,458 to \$69,544.

Council should consider whether they want to adjust the non-uniformed employee contribution rate. The current contribution rate is 2%. Each 1% equals \$5,685. The following represents a history of non-uniform employee contribution rates.

2000	1.9%
2001	1.4%
2002-2010	0%
2011	6.0%
2012	4.0%
2013	3.0%
2014	3.0%
2015	3.0%
2016	3.0%
2017	2.0%

Staff recommends that the employee contribution rate be increased to 3.0% in 2018. The AFSCME labor agreement, which expires at the end of 2018, contains a sunset provision that increased the pension benefit multiplier from 1.2% to 1.5%. That benefit, first provided in 2007, should be terminated, or renegotiated, in the 2019 labor agreement. An actuarial analysis will be required before terminating that increased benefit, and will also determine what future contribution rates should be.

Recommended Action #1 – Adopt Resolution 2017-08, replacing Resolution 2017-01 and imposing an employee contribution rate of three (3%) percent for the non-uniformed pension plan in 2018.

Item 8B: 2018 Annual Budget

The administrative committee has compiled a tentative 2018 budget for Council’s review. A copy of the draft budget was provided to Council. The 2018 Operating Budget calls for revenues of \$5,698,970 and expenditures of \$5,633,840. The general fund budget is balanced with no increase in real estate taxes.

	Revenues	Expenditures	Surplus
General Fund Budget	\$2,066,370	\$2,026,020	\$65,130
Water Fund Budget	\$1,555,500	\$1,543,070	\$12,430
Wastewater Fund Budget	\$1,851,100	\$1,838,750	\$12,350
Stormwater Fund Budget	<u>\$ 226,000</u>	<u>\$ 226,000</u>	<u>\$ 0</u>
Total Operating Fund	\$5,698,970	\$5,633,840	\$65,130

	2017	2018	Change
General Fund Budget	\$1,943,910	\$2,026,020	4.22%
Water Fund Budget	\$1,540,540	\$1,543,070	0.16%
Wastewater Fund Budget	\$1,855,030	\$1,838,750	-0.88%
Stormwater Fund Budget	\$ 230,000	\$ 226,000	-1.74%
Total Operating Fund	\$5,569,480	\$5,633,840	1.16%

The draft budget maintains taxes and utility rates at their current levels. The Manager will review the major points of the proposed budget. A synopsis of the budget is included in Council's packet.

The 2018 annual budget is granted tentative approval at this meeting, advertised for public inspection, and then adopted at the December meeting.

Recommended Action – Grant tentative approval to the 2018 annual budget and advertise for public inspection.

Item 8C: Tax Ordinance

An Ordinance is required each year to establish the real estate tax for the coming year.

Recommended Action - Grant tentative approval to Ordinance #632, establishing the 2018 real estate tax, and advertise for public inspection.

Item 8D: Full-time Police Position

The 2018 budget includes a fifth full-time police officer position. The position has been advertised, with applications due on November 27th. A lengthy testing procedure will follow, and the position is expected to be filled in February.

It will be necessary to appoint a written examination administrator. Staff is recommending that Bill Gamble Municipal Police Testing of Oakdale be appointed to administer and grade the written test. Section one of that test is a cognitive type test that tests the candidates' proficiency in reading comprehension, writing skills, and general mathematics. Section two of that test is an attitude and personality characteristics exam that measures the candidates' effectiveness in interacting with fellow officers and the public.

Recommended Action – Adopt Resolution #2017-05 naming on behalf of the civil service commission, Bill Gamble Municipal Police Testing, as the written examination administrator for the police hiring process.

Item 8E: Request for Proposals for Investment Services

Staff wishes to advertise an RFP for investment services at banks. The borough possesses in excess of \$3 million in cash assets, and there are alternative investment options available providing higher yields. For example, the use of market-linked CDs can provide a higher yield while still providing a minimum guaranteed interest rate. Such an investment program

would require a special session for the bank to provide an explanation of the program to Council. That could be done at a special meeting of the full Council or by the administration committee. The CDs change rapidly, not allowing time for formal approval at a subsequent Council meeting. Staff recommends that either a special meeting of Council be scheduled for January 15th, or that authorization be granted now for the administration committee to consider the proposals and make a selection.

The solicitor will need to review the selected proposal for compliance with investment regulations in Act 10 of 2016.

Recommended Action – Authorize the administration committee to review and select a bank for investment services, subject to review by the solicitor.

9. GENERAL BUSINESS

- * Item 9A: Minutes of Previous Meeting(s)
The minutes of the previous regular meeting are presented for Council review and approval.

Recommended Action – Approve the minutes of the previous meeting(s).

- * Item 9B: Financial Statement
The financial statement for October 2017 is presented for approval.

Recommended Action – Approve the October 2017 financial statement.

- * Item 9C: Bills
A list of bills totaling \$380,237.14 is submitted for approval.

Recommended Action – Approve payment of the bills as submitted.

Item 9D: Municipal Authority Appointment

Kristina Strosnider of East Horner Street has agreed to complete the unexpired term of Colman Anna on the Ebensburg Municipal Authority.

Recommended Action – Appoint Kristina Strosnider to fill an unexpired term on the Ebensburg Municipal Authority; term expires 12/2018.

Item 9E: Electric Rates

The borough's seven largest electric accounts are included in a contract with Constellation Energy. The twenty-five smaller accounts are with American Power. The contract with American Power expired in October. Staff recommends that it be extended for one year, at a rate of .0767/kWh, so that the next expiration will coincide with the expiration of the Constellation contract.

Recommended Action – Approve extending the fixed rate electric sales agreement with American Power & Gas for one year at a rate of .0767 kWh.

Item 9F: Truck Purchase

The replacement of the pickup truck used by the Public Works Director was scheduled in early 2017, but delayed. Staff recommends that it be purchased now. The 250 pickup will be fitted with a plow and storage boxes, and will replace a smaller Ranger pickup with less functionality. The Ranger will be kept to be used by summer employees.

Recommended Action – Approve the purchase of a Dodge 2500 pickup from McCall Motors at a cost of \$26,343 under the State COSTARS contract.

* **Item 9G: Meeting Schedule**

The December Council meeting will be held on Monday, December 18th. The biennial reorganization meeting will be held on Tuesday, January 2nd.

Item 9H: Street Sweeper

The street sweeper was a joint purchase of Ebensburg Borough and Cambria Township in March 2006. The agreement had a term of ten years, and renewed automatically from year to year thereafter. Per the terms of the Intergovernmental Cooperation Agreement, Cambria Township has given notice of their intent to withdraw from the agreement. There is no financial consideration that is due to the township until such time that the borough disposes of the sweeper, when the township will be owed one half of whatever is received for the sweeper at that time.

Recommended Action – No action required.

Item 8I: Gaming Expansion

Act 42 of 2017 authorizes ten mini-casinos with between 300 and 750 slot machines and up to 40 table games. The mini-casinos are intended to be a distance away from the existing larger casinos. Areas such as State College, Altoona or Ebensburg may be attractive sites. The host municipality would receive 40% of 4% of gross revenues, up to 50% of the municipality’s budget.

Act 42 provides municipalities with the ability to opt out of hosting a mini-casino. An opt-out requires Council to pass a resolution indicating that it does not desire to host a mini-casino. The adopted resolution must then be delivered to the PA Gaming Control Board no later than December 31, 2017. If a municipality is open to hosting a mini-casino, no action is required.

Recommended Action – Dependent on discussion.

10. DEPARTMENT REPORTS

Item 10A: Police Department

Chief Wyland will provide a verbal report on the police department’s activities during the month.

Item 10B: Public Works Department

Public Works Director Jeff Evans will provide a verbal report on the public works department’s activities during the month.

Item 10C: Community Development

Community Development Director Danae Koss will provide a verbal report on the community development department’s activities during the month.

Item 10D: Recreation Department

Recreation Director Dirk Johnson will provide a verbal report on the recreation department’s activities during the month.

* Item 10E: Codes Enforcement

A monthly codes enforcement report was forwarded to Council.

* Item 10F: Ebensburg Municipal Authority

A copy of the minutes of the last municipal authority meeting is included in Council’s packet.

* Item 10G: Ebensburg Planning Commission

* 1) Robert Contorchick

The Ebensburg Planning Commission will approve a subdivision of the property at 901 West Crawford Street. The new parcel will be for construction of a single-family residence.

Recommended Action – Approve a subdivision of 901 West Crawford Street.

* Item 10H: Ebensburg Zoning Board

* 1) Tim Washko

The Zoning Hearing Board granted a variance at 913 West Ogle Street. Mr. Washko wishes to open an indoor baseball training facility at the site, and such a use was not specifically permitted in the Ordinance.

Recommended Action – No action required.

11. MEDIA COMMENTS/QUESTIONS

Representatives of the media are invited to comment and ask questions at this time on any issues, whether or not on the agenda.

12. PUBLIC COMMENTS

Members of the public are invited to comment at this time on any issues, whether or not on the agenda.

13. EXECUTIVE SESSION

An executive session is necessary in order to discuss police staffing as it relates to the annual budget and the collective bargaining agreement.

14. ADJOURNMENT

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available for public inspection the Thursday before each regularly scheduled meeting at the Borough office, located at 300 West High Street, Ebensburg, Pa. Any documents subject to disclosure that are provided to members of the Borough Council regarding any item on this agenda are available for public inspection at the Borough office or at www.ebensburgpa.com.

In accordance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Borough office (814) 472-8780 or eburg@ebensburgpa.com. Notification 48-hours before the meeting will enable the Borough to make reasonable arrangements to ensure accessibility to this meeting.