

The regular monthly meeting of the Ebensburg Borough Council was called to order on Monday, November 27, 2017 at 6:30 p.m. at the Ebensburg Municipal Building, 300 W. High Street, Ebensburg, by Council President Doug Tusing.

Present: Doug Tusing, President
Susan Barber, Vice President
Dave Kuhar
John Cobaugh
Theresa Jacoby
Joe Miller

Absent: Cecilia Farabaugh

Others: Randy Datsko, Mayor
Jeff Evans, Public Works Director
Daniel Penatzer, Borough Manager
Danea Koss, Community Development Director
Dirk Johnson, Recreation Director
Blair Pawlowski, Solicitor
Josh Byers, The Mountaineer-Herald
Jocelyn Brumbaugh, The Tribune Democrat
Calem Illig, The Altoona Mirror

Audience: 4

A. The Pledge of Allegiance was recited.

B. **Public Comments** – Mr. Tusing confirmed with Josh Byers that the meeting was being recorded. Mr. Tusing recognized the recent passing of Mr. Colman Anna, a former borough employee and Municipal Authority member, and Mr. Frank Brosius, former mayor. He requested a moment of silence in their honor.

C. **Consent Agenda**

Mr. Cobaugh made a motion to approve the consent agenda containing the following items. (Barber) Motion passed unanimously.

1. Approve the minutes of the October 23, 2017 regular monthly meeting of Borough Council.
2. Approve the Financial Statement and quarterly transfers.
3. Approve payment of the bills.
4. Approve a subdivision of 901 W. Crawford Street.

D. **Appointment to Address Council** – None.

E. **Mayor's Report** – Mayor Datsko reported that Chief Wyland had had a busy day and would not be present.

F. **Council President** – Mr. Tusing congratulated Ms. Theresa Jacoby and Mr. Scot May on their renewed and new roles, respectively, as Council members for the next four years. He also acknowledged that Mr. Joe Miller would be moving on and thanked him for his time on Council.

G. **Water/Wastewater Committee**

Mr. Mark Wirfel, plant supervisor, was not present but provided a report of plant activities in Council's packet. Mr. Penatzer reported that Severn Trent would be announcing its new name on December 4th.

1. **Wastewater Project Update** – Mr. Kuhar shared that approximately 300 easements were mailed out to affected property owners and time has been set aside for owners to come in and ask questions on Tuesday, November 28th from 12 pm to 7 pm. The goal is to have all easements signed by the end of this year. He added that 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 and notice to contractor to proceed should be issued on April 16th. Anticipated project completion is June 30, 2019.
2. **Agreement of Lease Amendment and Loan Guaranty** – Mr. Kuhar reported that PENNVEST had approved a loan for 100% of this project in the amount of \$9 million. The loan is 25 years with 1% interest for the full term and 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 were 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.

Mr. Kuhar made a motion to 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. (Jacoby) Motion passed unanimously.

3. **Bridge Loan** – Mr. Kuhar reported that 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.

Mr. Kuhar made a motion to grant 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. (Jacoby) Motion passed unanimously.

4. **Borough Property Wastewater Project Easements** – Mr. Kuhar reported that last month Council approved six easements 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. The easement does not adversely affect future use of the property.

Mr. Kuhar made a motion to approve an easement to the Ebensburg Municipal Authority in conjunction with the upcoming wastewater and stormwater collection system upgrade. (Cobaugh) Motion passed unanimously.

5. **Fluoride** – Mr. Kuhar reported that 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 the operations.

H. **Recreation Committee – None.**

I. **Street Committee – None.**

J. **Administration Committee**

1. **Non-Uniform Pension Plan**

Ms. Jacoby reported that 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.

Staff recommends that the employee contribution rate be increased to 3.0% in 2018.

Ms. Jacboy made a motion to adopt Resolution 2017-08, replacing Resolution 2014-01 and imposing an employee contribution rate of three (3%) percent for the non-uniformed pension plain in 2018. (Barber) Motion passed unanimously.

2. 2018 Annual Budget

Mr. Penatzer gave an overview of the 2018 annual budget and provided a copy of the complete budget to all Council members. He noted that the draft budget maintains taxes and utility rates at their current levels.

Ms. Barber made a motion to grant tentative approval to the 2018 annual budget and advertise for public inspection.

3. Tax Ordinance

Ms. Barber stated that an Ordinance is required each year to establish the real estate tax for the coming year. Ms. Barber made a motion to grant tentative approval to Ordinance #640, establishing the 2018 real estate tax, and advertise for public inspection. (Barber) Motion passed unanimously. (Kuhar) Motion passed unanimously.

4. Full-time Police Position

Ms. Barber reported that 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.

Ms. Barber made a motion to 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. (Kuhar) Motion passed unanimously.

5. Request for Proposals for Investment Services

Ms. Barber reported that 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.

Ms. Barber made a motion to authorize the administration committee to review and select a bank for investment services, subject to review by the solicitor. (Miller) Motion passed unanimously.

Mr. Tusing noted that Council committees will be reassigned next year.

K. General Business

1. Municipal Authority Appointment

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

Mr. Miller made a motion to appoint Ms. Kristina Strosnider to fill an unexpired term on the Ebensburg Municipal Authority; term expires 12/2018. (Jacoby) Motion passed unanimously.

2. Electric Rates

Ms. Barber shared that the borough's 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.

Ms. Barber made a motion to approve extending the fixed rate electric sales agreement with American Power & Gas for one year at a rate of .0767 kWh. (Jacoby) Motion passed unanimously.

3. Truck Purchase

Mr. Kuhar reported that 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.

Mr. Kuhar made a motion to approve the purchase of a Dodge 2500 pickup from McCall Motors at a cost of \$26,343 under the State COSTARS contract. (Cobaugh) Motion passed unanimously.

- 4. Meeting Schedule** – The December meeting will be held on Monday, December 18th. The biennial reorganization meeting will be held on Tuesday, January 2nd.

5. Street Sweeper

Mr. Penatzer stated that 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.

The Township has offered to buy out the Borough's share of the sweeper. The consensus of Council it not to accept the township offer and, in March, the borough will take full possession of the street sweeper.

6. Gaming Expansion

Mr. Penatzer reported that 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.

The consensus of Council is not to opt-out as no one is ideologically opposed to hosting a mini-casino.

L. Department Reports

1. **Police Department** – None.
2. **Public Works Department** – Mr. Evans reported on last month's activities including updates on the new water main along the highway at Aldi's, repairs to service connections where homeowner and contractors have found bad connections, updates on completion of the replaced sewer collection system at the Fairgrounds and the new lateral put in at the Ebensburg Country Club. He added that leaf collection will continue as needed, the yard waste container will be removed the first of December, and crews have been busy with annual holiday decorations.
3. **Community Development Department**
Ms. Koss reported on last month's activities including the success of this year's Turkey Trot, upcoming events of Dickens of a Christmas, the new Letters for Santa mailbox, the borough newsletter, wrap-up of the Paranormal Lockdown television show filming.
4. **Recreation Department** – Mr. Johnson reported on last month's activities including the end of the winter basketball league and upcoming playoffs, registration for the 2018 winter basketball league and the CCHS swim program.
5. **Ebensburg Planning Commission**
 - a. **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.
6. **Ebensburg Zoning Board**
 - a. **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.

M. Media Comments/Questions

Mr. Calem Illig asked what the current borough real estate rate is.

N. Public Comments – None.

There being no further business Mr. Miller made a motion to adjourn. (Jacoby) Motion passed unanimously.

Meeting Adjourned: 7:47 PM

Minutes Recorded by: Danae Koss, Community Development Director