

**SPECIAL MEETING
BADEN BOROUGH COUNCIL
AUGUST 17, 2016**

Council President called the Special Meeting of Council to order at 6:00 p.m. in Council Chambers of the Baden Municipal Building, 149 State Street, to conduct specific business regarding the Bond Issue for the Borough of Baden and the Municipal Authority of the Borough of Baden.

PLEDGE OF ALLEGIANCE

COUNCIL ROLL CALL

PRESENT: Mrs. Furr, Mr. Kotula, Mrs. Montell, Mr. Shelkons, Mr. Stuban, Mr. Trzcianka and Mr. Besong

MUNICIPAL AUTHORITY ROLL CALL

PRESENT: Mr. McFarland, Mr. Trzcianka, and Mr. Stuban (Not Present: Mr. Blanarik, Mr. Villella)

ACKNOWLEDGEMENT OF OTHER RECORDING DEVICES

VISITORS

- Joe Kostial from Franklin Avenue asked what the \$9.5 million dollars was needed for. Mr. Stuban explained that for the Municipal Authority is a refinace that will save the Municipal Authority approximately \$450,000. Mr. Sallusti gave an overview of the costs and savings. The Authority will save approximately \$20,000 per year for the life of the bond which goes through 2033.
- Patsy Borriello asked what the \$9.5 million will be used for. Mr. Stuban stated that as previously noted it will pay off the previous Pennvest loan. The rate on the loan is 3.523 percent.

DISCUSSION

Attorney Salopek and Mr. Sallusti presented and reviewed the loan documents to the council and the municipal board. He noted that the solicitors for both Baden Borough Council and the Municipal Authority of the Borough of Baden reviewed and gave input all the documents presented.

BOROUGH ORDINANCES

945 - Authorizing the incurring of nonelectoral debt for the purposes of refunding prior bonds and notes, funding capital projects and paying the costs of issuance, by the issuance of general obligation bonds, in the aggregate principal amount of \$3,825,000; finding sale by negotiation to be in the best interests of the borough; accepting a bond purchase contract; providing for the form, maturities, interest rates and redemption features of the bonds; covenanting for the payment of the debt service; pledging the full faith, credit and taxing power of the borough; authorizing the application to the Pennsylvania Department of Community and Economic Development to have the debt approved; authorizing the execution, authentication and delivery of the bonds; appropriating the bond proceeds; authorizing payment of expenses; authorizing the purchase of bond insurance; appointing bond counsel; ratifying the preliminary official statement; authorizing approval of the final official statement; authorizing the opening of

a clearing fund; appointing a paying agent, registrar and sinking fund depository; establishing a sinking fund; ratifying prior advertising and directing further advertising; undertaking to provide continuing disclosure in accordance with rule 1522-12; calling prior bonds and notes for redemption; and repealing inconsistent ordinances.

MOTION by Mr. Stuban, second by Mr. Trzcianka carried unanimously to adopt Ordinance 945.

946 – Authorizing the incurring of lease rental debt in the amount not to exceed \$9,500,000 by guaranteeing the bonds to be issued by the Municipal Authority of the Borough of Baden for the purpose of refunding prior debt; agreeing to pay the principal of and interest on such bonds; approving the form of the guaranty agreement; authorizing the application to the Pennsylvania Department of Community and Economic Development to have the debt approved and excluded from the Borough's net subsidized debt; authorizing other necessary and proper action; authorizing other necessary and proper action; and repealing inconsistent ordinances.

MOTION by Mr. Stuban, second by Mr. Trzcianka carried unanimously to adopt Ordinance 945.

MUNICIPAL AUTHORITY RESOLUTION

2016-001 Authorizing the incurring of debt for the purpose of refunding prior debt, and paying the costs of issuance by the issuance of a series of guaranteed sewer revenue bonds, in a principal amount not to exceed \$9,500,000; finding a sale by negotiation to be in the best interest of the authority; accepting a bond purchase contract; authorizing and directing the execution and delivery of a trust indenture with U.S. Bank National Association, as trustee; providing for maturities, interest rates and redemption features of the bonds; authorizing execution, authentication and delivery of the bonds; authorizing the purchase of bond insurance; appropriation the bond proceeds; covenanting to adopt sufficient rates and charges; authorizing the payment of expense; appointing bond counsel; ratifying the preliminary official statement; authorizing the opening of a clearing fund; undertaking to provide continuing disclosure in accordance with rule 15c2-13; and repealing inconsistent resolutions.

MOTION by Mr. Stuban, second by Mr. McFarland carried unanimously to adopt Resolution 2016-001

ADJOURNMENT

MOTION by Mr. Stuban, second by Mrs. Montell, carried unanimously to adjourn the meeting. Meeting adjourned at 6:18 PM.

Respectfully submitted for approval,



Elaine K. Rakovan
Borough Secretary
September 19, 2016