

Newport Borough Council  
February 21, 2017 – Meeting Minutes  
Newport, Pennsylvania

President Gerald Robinson called the Meeting to order at 7:04 P.M. with Borough Council Members Penny Frownfelter, Tami Halstead, Douglas Beatty and John McNaughton. Council Members Carl Roush and Richard Delancey were absent.

**OTHERS PRESENT** – Secretary/Treasurer Patricia Bowers, Zach Williard (PFM Financial Advisors) and Jen Caron (Eckert Seamans)

**GUESTS** – Frank Campbell, Luke Roman, Jacob Zentichko.

**PUBLIC COMMENT** – **Jacob Zentichko** asked in regards to the discussion of the potential for reducing Borough Council from (7) members to (5) members. First question is it would leave a (2) year window of even number of members on the council; is there a tie breaker procedure. President Robinson explained if you would have a tie vote, the Mayor would break the tie. Jacob said the other thing was that you proposed the reduction as a potential cost saving maneuver; do you have any solids numbers as to how much money would you save by doing that. President Robinson replied it is difficult to say straight out. It would vary; but possibly \$2,000 dollars a year. One of the concerns of this board is it is difficult to get people actively involved. It is a concern in all the little municipalities. Jacob commented so is it a combination of money savings and the difficulty of getting people involved. President Robinson replied it is a combination of the (2). Cl'm Halstead commented it has to go to the Court of Common Pleas. It has to be a legitimate case presented to the Court of Common Pleas. There also is a rebuttal which she is going to put forth. She also submitted a resolution to PSAB to have the law changed. So it is not a done deal. It goes through a process. Not only that; it is not up to us as a Council to get people to run. President Robinson commented a lot of it will be determined by speed and ease of getting the petition signed. Solicitor Dissinger commented also in getting a court date; we are at the mercy of the courts.

**APPROVAL OF BILLS** – Cl'm McNaughton moved, seconded by Cl'm Beatty to pay the outstanding bills presented for payment in the amount of \$10,983.01 from the General Fund Account. Motion carried unanimously.

**ADOPTION OF ORDINANCE GUARANTEEING THE FINANCING FOR THE NEWPORT BOROUGH WATER AUTHORITY** – The Resolution presented by Eckert Seamans to approve the financing for Newport Borough Water Authority was done at the meeting held prior to the Borough Council Meeting. Jen Caron distributed the Ordinance to be considered for adoption tonight that would guarantee the loan for the Newport Borough Water Authority. Cl'm Halstead had a question in regards to Exhibit A (PageA-4) which shows the Maximum Debt Service payment for each year. Ms. Caron stated the Annual Debt Service will be no more than \$235,000 dollars. For 2017 it will be \$48,294.38 (which is an interest payment paid in September) and 2018 will be \$156,001.60 in March (which will be the first principal payment of \$52,367.40 for interest and \$104,367.40 principal). The purpose of these first payments being this way is to give the Water Authority some budget relief. Cl'm Frownfelter reported right now the Annual Debt Service is \$280,000.00. It will drop to \$235,000.00 annually. Cl'm Frownfelter commented the issues that we've had in the past are directly related to the capital outlay they had to make from their operating budget related to the River Filtration Plant. That is why we are in the position we have been in for the last 18 months. Cl'm Halstead asked since it is on line how much is it going to cost additionally to keep the wells running. How do you know you won't be back in the same boat. Cl'm Frownfelter stated they understand what their operating budget is. We can't put out \$250,000 in capital out of their operating budget and not have an impact and that's what we saw; which is why we were looking for refinancing and that is why we need \$150,000dollars in new money. That is what this loan gives us. Cl'm Halstead asked why don't you just get \$150,000 dollars if that is what you need? Cl'm Frownfelter commented they talked about that being an option. After looking at the options that Zach Williard (PFM) helped them with we would have a better interest rate at 2.82% fixed for 7 years and after that it will be capped at 5%. They could consolidate their debt and they were having some issues with Penn Vest; those loans would be paid off. Plus the loan will supply \$150,000 dollars for several projects that need to be done. Cl'm McNaughton commented it will also reduce their payment. Her concern was she has seen the past where you consolidate then you end up spending extra money because you have some funds and then it snowballs again; then you have to do this again. Don't want to see that happen again. President Robinson commented in the past

we refinanced because either there was an upcoming project and or we were getting a better market rate etc. That is rather astute business; something that the borough would do well to learn. Cl'm Halstead commented also what concerns her is the Borough wanted a reserve fund in case the Authority would default and that is not there either. That was a Borough stipulation on the bond; had nothing to do with the bank. Cl'm Frownfelter moved, seconded by Cl'm McNaughton to adopt Ordinance # 369 guaranteeing the loan of \$3,714,000.00 for the Newport Borough Water Authority. Motion carried with a Roll Call of (4) yeas and (1) nay. Council Members Gerald Robinson, Penny Frownfelter, Douglas Beatty and John McNaughton voted yes and Tami Halstead voted no.

**AD FOR JULY 2017 REGULAR MEETING** - Cl'm Frownfelter moved, seconded by Cl'm Halstead to set the July 2017 Regular Borough Council Meeting for July 11, 2017 authorize the ad. Motion carried unanimously.

**STREET LIGHT RESOLUTION** – President Robinson reported the Street light Resolution with P P & L was voted on at the last meeting. After checking with PP & L and APPI everything is squared away and they will start changing the street lights to LED mid April 2017. It takes about 2 months.

The next meeting is March 7, 2017 at 7:00 P.M. Motion carried unanimously.

Respectfully,  
Patricia Bowers  
Secretary