

SPECIAL COUNCIL MEETING
October 27, 2014

Members Present: Douglas Baker, Mayor
Donna Fletcher, Deputy Mayor
Samuel Lyons
James Marshall
Jennifer Morris
Ryan Rudegear
Garnet Wood

Members Excused: None

In Attendance: E. William Gabrys, City Manager
Tracy Jamieson, Deputy Manager
Brian Spaid, Esq., City Solicitor
Darla Hawke, Recording Secretary
R. Russell Lucas, Jr., Esq., Campbell Durrant Beatty & Miller Law Firm
Anthony Ditka, Esq., Denismore & Shoal
James Greenfield, Esq., General Authority Solicitor
David R Lord, 407 Forest Avenue
Sheila Boughner, Venango Newspapers, Inc.

Mayor Baker called the meeting to order at 4:00 PM.

COUNCIL STATEMENT

Mrs. Fletcher read a statement advising that Council continues to believe that direct City management of the water and sewer systems would be more efficient and outlining Council's position on the current litigation and how the Council proposed to resolve the matter. City Council is concerned with the amount of time, resources of City officials and cost being absorbed by public funds due to the litigation, suggesting that, by the end of the year the General Authority could spend half a million dollars on legal fees. Therefore, the Council had requested a status conference by placing a stay on the litigation and ordering the matter to mediation in an effort to see if there was any way the City, Authority and Sugar creek Borough could get what they wanted without spending more public monies. However, arguments were filed by the Authority and the Borough in opposition of the request. Mrs. Fletcher finished the statement noting that the City will continue to search for a way to bring this situation to a conclusion in the public's best interest.

FINANCING GENERAL AUTHORITY DEBT

Mr. Ditka, Bond Counsel, explained that his purpose for attending today's meeting was to inform the Council of the differences between applying for a bank loan vs. a bond in paying off the General Authority's outstanding debt, which is necessary for the dissolution of the Authority. It was noted that when the General Authority had approached City Council earlier this year, they were seeking approximately \$10 million - \$6 million to refinance existing debt

and \$4 million for new sewer system improvements. He explained that much of the ground work for the bond issue was already completed by the Authority.

Mr. Spaid asked, in light of the current lawsuit, which would Mr. Ditka advise. Mr. Ditka noted that a bond would provide more flexibility, time wise, as a bank loan would only assure the interest rate for 90-days. He also noted that bonds were presently offering a lower rate of interest than they had been when the General Authority looked into the matter earlier this year. He advised that, should Council decide to proceed with this process, two readings would be necessary. He suggested the First Reading be held on Monday, November 10, 2014, and the Final Reading be held on Monday, December 8. Mr. Marshall questioned whether the Council, should they decide now to go with a bank loan rather than a bond, would be permitted to change their decision later on down the road. Mr. Ditka advised that they could.

Resolution No. 128 - Mrs. Fletcher than moved to proceed with the preparation of an ordinance for the issuance of a bond with Janney Montgomery Scott and the necessary advertising. Mr. Lyons seconded the motion, which passed unanimously.

EXECUTIVE SESSION

Resolution No. 129 - Mrs. Fletcher moved and Mr. Marshal seconded a motion to enter into executive session for the purpose of litigation and personnel at 4:30 PM. Motion passed unanimously. The executive session ended at 5 PM.

CDBG REQUEST

Resolution No. 130 - With regard to the 2014 CDBG Application, Mrs. Jamieson, explaining that the cost estimate for the needed work on Myrtle Street had come in higher than expected, recommended the City concentrate on the water and sewer portion of the work this year and re-pave at a later date. She then requested permission to reprogram \$22,531, which had been set aside from the 2012 CDBG monies for paving the 1300 block of Myrtle Street. This would allow timely expenditure of the 2012 CDBG funds and would be combined with the 2014 CDBG Project for Myrtle Street. Mrs. Jamieson added that the gas company also plans to replace its lines on Myrtle Street during this time. Reprogramming these funds would require a public hearing, which could be combined with the second hearing scheduled for November 10 as part of the 2014 CDBG Application process. Mr. Marshall moved to approve the reprogramming of funds and to establish the necessary public hearing for November 10. Mrs. Fletcher seconded the motion, which passed unanimously.

OTHER BUSINESS

Miller-Sibley Bathhouse - Mr. Lyons asked the status of replacing the roof of the Miller-Sibley Bathhouse. Mrs. Jamieson advised the roof should be replaced in the Spring of 2015.

Retirement Announcement - Mr. Gabrys announced his plans to retire at the end of the year after serving 33 years as City Manager for the City of Franklin, adding it has been an honor and pleasure to have served with so many wonderful people. Mr. Marshall noted that he and

Mr. Gabrys had been friends since the early 1950s and will continue to be, stating "We didn't always agree on items that came before us, but we always left as friends."

Resolution No. 131 - Mr. Marshall then moved to appoint Mrs. Tracy Jamieson as the Interim City Manager effective January 1, 2015. Mr. Lyons seconded the motion, which passed unanimously.

ADJOURNMENT - Resolution No. 132

There being no further business to come before the Council at this time, Mayor Baker moved to adjourn the meeting at 5:13 PM. Mr. Marshall seconded the motion which passed unanimously.

Respectfully submitted,

Darla Hawke, Recording Secretary