

**MINUTES OF THE SPECIAL MEETING
OF THE MAYOR AND COUNCIL**

September 10, 2014

SPECIAL MEETING

A Special Meeting of the Mayor and Council was held in the Municipal Building on September 10, 2014.

Mayor Bivona opened the meeting at 8:00 AM and Borough Clerk, Sally Bleeker, read the Sunshine law Statement.

ROLL CALL

The following Council Members and Professional Staff were present: Mayor Bivona, Councilperson Kahwaty, Councilperson Kelly via phone, Councilperson Lambrix, Council President Ramsey, Councilperson Swist, Borough Administrator Hart, Chief Financial Officer Pike, Borough Auditor Dieter Lerch and Borough Clerk Sally Bleeker. Councilperson Cadicina was absent.

FLAG SALUTE

PUBLIC'S OPPORTUNITY TO SPEAK

Councilperson Kahwaty made a motion to open the meeting to the public. Seconded by Councilperson Lambrix, all ayes.

No one from the public came forward and Councilperson Kahwaty made a motion to close the public portion of the meeting. Seconded by Councilperson Lambrix, all ayes.

DISCUSSION

- Capital Projects & Debt Service Analysis

Councilperson Lambrix reported that there have been several meeting on capital projects and debt services. The Finance Committee is recommending a six year plan that has been distributed to all council members this morning. The plan is to fund \$9 million dollar in needed capital projects while reducing debt. The plan allows for guidance but does not commit future council members. However, it requires us to increase debt above our current level next year. Councilperson Lambrix stated that if we keep our eye focused on the longer term we can accomplishes the goal of reducing debt and funding capital projects.

Mr. Hart gave an overview of the capital budget part of the plan and he reviewed how it folds into the debt plan. He distributed documents that outline the capital projects and purchases that the Finance Committee is looking at for the next three years.

Mr. Lerch reviewed the Capital Projects and Debt Service Analysis that was prepared for the Borough dated September 5, 2014. He explained the Borough's historical interest rates, outstanding net debt and the Borough's existing bonded debt. Mr. Lerch pointed out that the plan includes funding of an estimated \$1.1 million for the sewer projects.

Mr. Lerch explained that the Borough currently has an adjustable rate debt of \$4.4 million dollars. This debt has to get reset in October. The Borough can either go for another adjustable rate or permanently lock in the interest rate. The Committee recommends a permanent bond issue to lock in the interest rate. In addition to the \$4.4 million the committee also recommends that the projects authorized and approved already for 2014 at an estimated \$500,000 be included in this bond. This would bring the permanent financing to an estimated \$5,055,000 bond with a 15 year term. Mr. Lerch predicts an interest rate of 2.75%.

Mr. Lerch explained the financing plan for the next 6 years and the impact on homeowners.

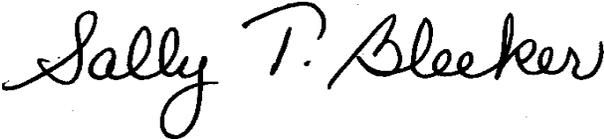
Council Members agreed to introduce the refunding bond ordinance at the September 16th meeting and adopt the ordinance and a resolution to authorize the sale of the bond two weeks later at a special meeting September 30th.

Council Members also agreed to formally adopt the Capital Projects and Debt Service plan at the September 16th meeting.

ADJOURNMENT

Motion by Councilperson Kahway to adjourn the meeting at 9:15 AM Council President Ramsey seconded the motion. On voice vote, all in favor.

Respectfully submitted,

A handwritten signature in black ink that reads "Sally T. Bleeker". The signature is written in a cursive style with a large initial 'S' and a distinct 'T'.

Sally T. Bleeker, Borough Clerk