

## **Special Meeting**

**May 7, 2002 5:00 PM**

## **Council Chambers**

Mr. Streeter opened the meeting at 5:00 PM with the following Councilors present: Mr. Murphy, Mr. Eline, Mr. Monahan, Mr. Fleet, Mr. Miller and Mr. Allen. Ms. Giles and Ms. Smith were not able to attend. Staff included Solicitor Eastman, Manager Sterner and Secretary Stull.

Mr. Streeter announced the purpose of the special meeting was to consider the adoption of several ordinances relative to the refinancing of Gettysburg Municipal Authority lease rental debt.

Concurrent with this Council meeting, Melvin Crouse, Chair of the Gettysburg Municipal Authority, opened a Special Meeting of GMA for the purpose of adopting a resolution authorizing the refinancing of its outstanding sewer and water bonds.

Mr. Gary Pulcini of VALCO, GMA's financial consultant, explained that GMA planned to refinance its debt in order to obtain savings as a result of recent lowered interest rates. Total savings for the sewer bonds as a result of this refinancing will be about \$112,000. Savings on the water bonds will total about \$171,000.

Mr. James Shelby of underwriters Arthurs, Lestrangle & Company, explained that the interest rates will be locked in as of this date but that actual settlement will occur on June 7. He briefed Council on the Bond Purchase Agreement and the POS (Preliminary Official Statement). He presented a comparison of other recent refinancings in the state, noting that GMA's rates and savings are comparable. He noted that the bonds will be insured, resulting in a AAA rating. Further, he indicated that the offering of the bonds was well received in the market, due to the good rating and history of Gettysburg.

Mr. Thomas Smida, Esquire, of Mette, Evans and Woodside, indicated that the debt will be considered lease rental, and is self liquidating from sewer and water fees. He asked the Borough to guarantee the debt with its full faith, credit and taxing authority. Insurance lowers the exposure to the Borough, and further, he noted that the debt is not included in the borrowing base of the Borough. With that, he asked that Council adopt the two ordinances incurring the debt.

Moved Mr. Eline, second Mr. Monahan, to adopt Ordinance Number 1266-02 determining to incur lease rental debt in the principal amount of \$3,445,000, in connection with the refunding by Gettysburg Municipal Authority of certain lease rental debt heretofore lawfully incurred by said Authority; determining that such debt shall be incurred as lease rental debt and shall be evidenced by the guaranty of a series of Guaranteed Sewer Revenue Bonds – Series of 2002, dated as of June 1, 2002 to be



authorized and to be issued by said Authority; approving the form of the Guaranty Agreement to be entered into in connection with such lease rental debt; approving the consulting engineers report relating to the self liquidating nature of such lease rental debt; authorizing and directing proper officers of this Borough to prepare, verify and file the debt statement, the application to become bound by said guaranty agreement and for exclusion of self liquidating debt and other appropriate documents required by the Local Government Unit Debt Act, as amended, of the General Assembly of the Commonwealth of Pennsylvania; authorizing proper officers of this Borough to execute, attest and deliver a guaranty agreement with respect to said guaranteed sewer revenue bonds of said authority; guaranteeing payment of principal of and interest on said guaranteed sewer revenue bonds of said Authority and making certain covenants with respect thereto; setting for the debt service to which said guaranty is applicable; specifying the maximum amounts of the guaranty obligation and the sources of payment of the guaranty obligations; and pledging the full faith, credit and taxing power of this Borough in support therefor; establishing a sinking fund with respect to said guaranty; and providing for proper officers of this Borough to take all other required, necessary or desirable related action in connection with said guaranty agreement.

A roll call vote was made: Aye's Mr. Streeter, Mr. Murphy, Mr. Eline, Mr. Monahan, Mr. Fleet, Mr. Miller and Mr. Allen. The motion passed unanimously.

Moved Mr. Eline, second Mr. Monahan, to adopt Ordinance Number 1267-02 determining to incur lease rental debt in the principal amount of \$1,780,000, in connection with the refunding by Gettysburg Municipal Authority of certain lease rental debt heretofore lawfully incurred by said Authority; determining that such debt shall be incurred as lease rental debt and shall be evidenced by the guaranty of a series of Guaranteed Water Revenue Bonds – Series of 2002, dated as of June 1, 2002 to be authorized and to be issued by said Authority; approving the form of the Guaranty Agreement to be entered into in connection with such lease rental debt; approving the consulting engineers report relating to the self liquidating nature of such lease rental debt; authorizing and directing proper officers of this Borough to prepare, verify and file the debt statement, the application to become bound by said guaranty agreement and for exclusion of self liquidating debt and other appropriate documents required by the Local Government Unit Debt Act, as amended, of the General Assembly of the Commonwealth of Pennsylvania; authorizing proper officers of this Borough to execute, attest and deliver guaranty agreement with respect to said guaranty water revenue bonds of said authority; guaranteeing payment of principal of and interest on said guaranteed water revenue bonds of said Authority and making certain covenants with respect thereto; setting forth the debt service to which said guaranty is applicable; specifying the maximum amounts of the guaranty obligation and the sources of payment of the guaranty obligations, and pledging the full faith, credit and taxing power of this Borough in support therefor; establishing a sinking fund with respect to said guaranty; and providing for proper officers of this Borough to take all other required, necessary or desirable related action in connection with said guaranty agreement.

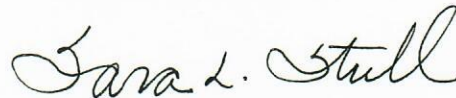
A roll call vote was made: Aye's Mr. Streeter, Mr. Murphy, Mr. Eline, Mr. Monahan, Mr. Fleet, Mr. Miller and Mr. Allen. The motion passed unanimously.

Subsequent to this action, GMA officers adopted the necessary documents to complete their portion of this transaction.

GMA board members and consultants thanked Council for their support of this refunding.

With no further business to come before Council, Mr. Streeter adjourned the Special Meeting at 5:20 PM.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sara L. Stull".

Sara L. Stull  
Borough Secretary

