

CITY OF SAINT MARYS COUNCIL WORKSESSION

November 3, 2008

- CALL TO ORDER**
A Council worksession of the City of Saint Marys was called to order by Mayor Sally Geyer on Monday, November 3, 2008 at 7:00 p.m. The meeting was held in the Council Room of City Hall, 11 LaFayette Street. Notice of this meeting was sent to Council on October 30, 2008, posted at City Hall, and published in the Daily Press.
- ROLL CALL**
Present: Mayor Sally Geyer, Dennis Nero, Thomas Farley, Steven Skok, Richard Gabler, Jr., Richard Dornisch, Sean Gabler, City Manager David Greene, and City Solicitor Mark Jacob
- VISITORS**
Visitors included: Warren Stewart, Leroy Whitaker, Jim Dornish, Jessica Mackcoviak, Steve Mackcoviak, Rita Frey, Mary Ann Gregory, Herbert J. Straub, Todd Hanes, John Schatz, Bob Yoder, Joe Bologna, Richard Sadley, Dan Hepner, Sally Wilson, Victor Straub, and John Bauer
- APPROVAL OF MINUTES**
October 20, 2008
Richard Dornisch made a motion to approve the minutes of October 20, 2008, seconded by Thomas Farley, and all were in favor, except Steven Skok who abstained.
- Executive Session
Moved
The Executive Session, which was scheduled for this time on the agenda, was moved to the end of the meeting.
- LAND DEVELOPMENT APPLICATION**
Todd Hanes
Todd Hanes presented a Land Development Application to Council for their review. He stated the application will be presented to the Planning Commission tomorrow night. He would like to get started on his building before the weather turns bad. He plans on constructing a 40'x 60' steel building for machining on S. Grotzinger Road. Mr. Hanes also noted they will start out with four employees.
- CITIZEN COMMENTS ON AGENDA TOPICS**
Herbert Straub
Herbert Straub, Chairman of the Benzinger Township Golf Course Authority, will speak later during the meeting.
- Jessica Mackcoviak
Jessica Mackcoviak will speak later regarding a driveway issue concerning the Industrial Steel property.
- LEGISLATIVE ACTION**
Letter from Knights of Columbus re: Christmas Nativity Scene
A letter was received from the Knights of Columbus requesting permission to erect their Christmas Nativity Scene on the Diamond. They would like to put the scene up no earlier than November 15, 2008 and take it down on January 3, 2009.

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- Dennis Nero made a motion to allow the Christmas Nativity Scene on the Diamond from November 15th thru January 3, 2009, seconded by Steven Skok, and all were in favor.
- Purchase of Industrial Steel, Depot Street
- Manager Greene stated the issue regarding the purchase of Industrial Steel on Depot Street will be discussed after Council holds their "Executive Session".
- Jessica Mackcoviak, Driveway Issue
- Jessica Mackcoviak stated she can no longer use her driveway since the Industrial Steel property has been sold. There was a verbal agreement years ago between her grandmother and Industrial Steel allowing use of the driveway. She now has no access to her property or no place to park her car.
- Solicitor Jacob stated he would need to look at the property before he can advise Council what to do. He would also need to check the exact title position of the property.
- Letter from Chamber of Commerce re: Request to close Market Street
- Sally Wilson, Director of the St. Marys Chamber of Commerce, requested that Market Street be closed to through traffic between the hours of 7:00 p.m. and 9:00 p.m. on Friday, November 21, 2008 Light-Up-Night to hold hay rides for the children.
- Dennis Nero made a motion to approve St. Marys Chamber of Commerce's request to close Market Street from 7:00 p.m. to 9:00 p.m. on November 21st. The motion was seconded by Richard Dornisch.
- Upon an inquiry, Sally Wilson added the hay rides were previously held on Erie Avenue or in the parking lot area. She explained since Santa will be at Northwest Savings Bank, the Chamber wanted to keep the hay rides close to this location.
- Motion Passed
- All were in favor to approve the Chamber's request.
- TOPICS FOR DISCUSSION**
Benzinger Township Golf Course Authority request
- Herbert Straub, Chairman
- Herbert Straub, Chairman of the Benzinger Township Golf Course Authority, stated their presentation tonight will be in three parts. John Bauer, Pro Shop Manager, will discuss the operation of the course, Jim Dornish, Golf Course Superintendent, will explain why the Authority needs a \$100,000. loan, and that he will give an overall presentation as to what the Bavarian Hills Golf Course has accomplished over the years.

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John Bauer,
Pro Shop Manager

John Bauer, Pro Shop Manager, explained the different "Outings and Groups for the 2008 Season" at the Bavarian Hills Golf Course. He stated the outings held special golf events and fundraisers. He provided a list to Council noting that the majority of the groups are out of Elk County.

Jim Dornish,
Golf Course
Superintendent

Jim Dornish, Golf Course Superintendent, explained the need for the \$100,000. loan for two mowers and one tractor. The golf course would like to replace the following:

- A Fairway Mower which is nine years old with 3,430 hours and used five days a week. Repairs during the last 3 seasons on this machine was \$4,939.00.
- A Tee Mower is thirteen years old with 5,478 hours and is used six days a week. Repairs during the last 3 seasons on this machine was \$2,914.48.
- A John Deer tractor is nine years old with 3,853 hours and is used four days a week. Repairs during the last 3 seasons on this machine was \$719.87.

Jim Dornish felt repairs have become too expensive and that the equipment needs replaced. He also extended invitations to visit the golf course.

Herbert Straub,
Chairman

Herbert Straub explained the present valuation of the land, before the golf course, it was 48,750 and taxes were \$1,381.00. The present valuation with the land and the building is 645,450 and taxes are \$18,283. per year. Mr. Straub stated over the years, we have built 2,400 ft. of paved roads, 23,750 ft. of paved cart paths, 5,000 ft. of sewer lines, and added a pump and grinding station. The book value of the building and equipment is at \$2,840,235. as of December 31, 2007.

Mr. Straub added the Authority presently has a \$44,294. bank note which will be paid back in 2009. Any access over the \$100,000. will be applied to lower the bank note. The present schedule for the mortgage will be extended for 20 years with a payment of \$13,845. We have one full-time employee fourteen full-time seasonal employees, and thirty five part-time seasonal employees.

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Thomas Farley thanked John, Jim, and Herb for their presentations. He stated he did have several questions. Mr. Farley asked if the following anticipation notes have been paid, such as: \$20,000. in 2006; \$50,000. in January 2007; and \$60,000. in October, 2007. Mr. Straub responded they are all paid off, except the \$44,294. bank note that he mentioned before which will be paid off in 2009.

Thomas Farley stated the Profit and Loss Statement, attached to the September 15, 2008 minutes, did not show the notes paid. Herbert Straub stated this information should be in the audit report.

Thomas Farley also noted the 2003 mortgage of \$992,445.00 requested Council's backing to increase the mortgage to \$1,300,000. to expand the restaurant. Mr. Farley stated the bid for the restaurant was \$144,830. The difference between \$1,300,000. and \$992,445.00 is \$307,555. The restaurant cost was \$144,830. leaving a balance of \$162,725. Mr. Farley wanted to know what the \$162,725. was used for. Herbert Straub responded that it could of been used for paying off a note or for the parking lot. Mr. Straub will check and get the information back to Council.

Thomas Farley stated he contacted our Solicitor who in turn contacted the Authority's Solicitor to find out exactly what has happened to the excess money of \$162,725. and was hoping this information would be available tonight.

In 2003, Mr. Farley stated a mower was purchased from Textron Financial with five equal payments of \$3,500. He inquired if this mower was paid off or are there still two more payments due. Herbert Straub stated this mower has been paid off.

Councilman Farley also expressed his dissatisfaction with the "Profit and loss" Statements and not receiving the minutes in a timely manner. Mr. Straub will see that this is taken care of.

Sean Gabler questioned if the Authority has an estimate on what the three pieces of equipment will cost. He was informed about \$85,000. to \$90,000. and that the extra funds would go towards paying off the note.

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Richard Dornisch felt the maintenance cost for the equipment is high and questioned if the equipment has any resale value? Jim Dornish stated the golf course would keep the equipment and use it in case of an emergency and also noted the equipment has no value.

Thomas Farley was impressed with the list presented by John Bauer on the number of outings and events and the groups participating at the golf course. Mr. Farley would like to see this list every year attached to the minutes.

Sean Gabler made a motion to approve the Benzing-er Township Golf Course request to add \$100,000. to their current loan and financing. The motion was seconded by Dennis Nero and all were in favor.

Letter from Zito
Media re: Rate
Increase

The Manager read a letter from Zito Media, L.P. stating effective December 1, 2008, Zito Media will increase its rate for broadcast cable service by \$2.00. This means that the rate customers will pay for the most popular level of service will increase from \$13.13 to \$15.13 due to expenses for programming and fuel being increased significantly in the last year. All of their other rates will remain unchanged, and despite this increase, their rate for broadcast and classic cable service remains well below national and state average for comparable cable services.

Solicitor Jacob was questioned regarding the status of the agreement with Zito Media. The Solicitor noted there is still some outstanding issues that need resolved.

Letter from Airport
Authority re: Real
Estate Request

Victor Straub, Chairman of the St. Marys Area Airport Authority, stated he is present again tonight to request the approval of using the new Terminal/Administration Building as collateral to obtain a \$60,000. loan from the First Commonwealth to cover some of the renovations costs in the restaurant area. He stated Council wanted more information so a letter was put together explaining the background to complete the restaurant project.

The Authority used \$40,000. of RBEG grant money and the Bureau of Aviation grant in the amount of \$61,626. towards the project. This left the Authority \$60,000. short of enough funding. The Authority has applied for RBEG funds in the amount of \$37,500. and for a \$25,000. DCED grant.

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The Authority currently needs to borrow \$60,000. to pay suppliers and contractors. If the grant money is received, it will be used to pay down or pay off the loan. The only money from the grant that would not be used to pay of the loan is approximately \$12,000. which was specified in a previous RBEG grant to complete the deck area.

Dennis Nero wished to clarify the last paragraph in the Authority's letter which stated "if the grant money is received it will be used to pay down or pay off the loan except for \$12,000. which is earmarked for the deck".

Sean Gabler stated regardless of which way we vote, I think the taxpayers need to know that if we do not approve the building as collateral for \$60,000., we will be responsible for paying the contractors.

Thomas Farley wished to clarify that the grants received will pay down the \$60,000. loan except for the \$12,000. earmarked for the deck and that the remaining amount will be paid with the restaurant's lease rental payments. Mr. Straub responded yes.

Sean Gabler noted that the Authorities, Board, and Commissions should keep Council aware of any problems.

Sean Gabler made a motion to approve the St. Marys Area Airport Authority to use the new Terminal/ Administration Building as collateral for the \$60,000. loan. The motion was seconded by Thomas Farley.

Steven Skok requested that the Authority keeps Council updated on the grants and the loan.

Motion Passed

On a roll call vote, all members of Council voted in the affirmative. The motion passed.

COUNCIL COMMENTS

Dennis Nero noted, as previously stated, the Authorities, Boards, and Commissions need to present Council with information and not come before Council without having data to present.

Richard Dornisch stated he is pleased with the initial glance of the 2009 City Budget.

Steven Skok would like an update on the groups that will be attending the budget meetings. Manager stated he would get that information from Carol Muhitch, Finance Director.

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Mayor Geyer urged citizens to vote tomorrow.

ANNOUNCEMENTS

Mayor Geyer made the following announcements:

- 2009 Budget meetings will be held on November 6, 10, 12, and 13, 2008 at 6:30 p.m.
- Next regular Council meeting will be held on Monday, November 17, 2008 at 7:00 p.m.
- Executive Session will be held on Monday, November 17, 2008 at 6:00 p.m. regarding personnel matters

**EXECUTIVE SESSION
CITIZEN COMMENTS ON**

An Executive Session was held at this time to discuss legal and real estate matters. No decisions were made.

Council reconvened

Council reconvened their meeting at 8:30 p.m.

ADJOURNMENT

Sean Gabler made a motion to adjourn the meeting.

Mayor

Shirley Dicklas
Recording Secretary