

CITY OF SAINT MARYS COUNCIL WORKSESSION

OCTOBER 4, 2010

CALL TO ORDER

A Council worksession of the City of Saint Marys was called to order by Mayor Sally Geyer on Monday, October 4, 2010 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 September 28, 2010, posted at City Hall, and published in the Daily Press.

ROLL CALL

Present: Mayor Sally Geyer, Bob Roberts, Richard Gabler, Jr., Daniel Hepner, Richard Dornisch, Dennis Nero, Manager David Greene, Solicitor Mark Jacob. Steven Skok was excused.

VISITORS

Visitors included: Fred Haas, Mike McCaig, Tina Gradizzi, John Copelli, Vic Straub, Joe Goetz, Ken Young, Ty Carter, Yvonne Michuck, Steven Michuck Denny Bauer, Matt Young, Bob Bauer and Richard Sadley. Visitors not signed in included: Tom Lynch, George Fetchko, Bob Yoder, John Weible and John Hackett.

APPROVAL OF MINUTES
September 20, 2010

Daniel Hepner made a motion to approve the minutes of September 20, 2010, seconded by Dennis Nero, and all were in favor.

REPORT ON EXECUTIVE SESSION

An Executive session was held immediately prior to tonight's meeting regarding legal issues involving the lease of real estate and personnel matters. No decisions were made.

SPECIAL PRESENTATION, re:
Municipal Authority refinance of
Bonds

Victor Straub, Chairman of the Municipal Authority, stated that Joe Goetz and Thad Sorg were also present from the Authority. Mr. Straub stated the Municipal Authority was refinancing their Bond Issue, which is currently six million dollars. PNC Capital Markets and RBC Capital Markets previously presented the Authority with proposals to refinance the Bonds for the years 2010 until 2021. The Authority recommended the Bond Issue be refinanced by PNC Capital Markets. The Authority was requesting Council's approval of their recommendation.

Mike McCaig from PNC Capital Markets presented Council with information describing the following three basis differences of the two proposals:

1. Assumed date the Bond would be delivered
2. Present Value Savings
3. Assumption of the rating

Tom Lynch from the Municipal Authority's Bond Counsel approached Council and stated his advice to the Authority was to rely on their previous relationships.

There was a lengthy discussion regarding the proposals and the credit rating that would be issued sometime in the next week. Once the rate was set it would determine the final savings.

Motion

Dennis Nero made a motion to accept the recommendation of the Municipal Authority to have PNC Capital Markets refinance the Bond Issue, seconded by Richard Gabler, Jr.

CITY OF SAINT MARYS COUNCIL WORKSESSION

OCTOBER 4, 2010

Discussion

Richard Gabler, Jr. stated even though the numbers looked different the proposals were similar and prior experience with PNC was important. He agreed with the Authority's recommendation.

Mayor Geyer also agreed with the judgment of the Authority.

Councilman Nero stated because the presentation explained the recommendation he didn't think it was necessary to wait until next week to make a decision.

Motion Passed

On a roll call vote, all were in favor to accept the Municipal Authority's recommendation, except Daniel Hepner who voted in the negative. The motion passed.

CITIZEN COMMENTS ON AGENDA TOPICS

There were no citizen comments on agenda topics.

LEGISLATIVE ACTION

Consider for Publication:

Ordinance No. 262, re: Increasing the City's Indebtedness \$1,000,000 for Road Resurfacing and Base Repair

Ordinance No. 262 was presented increasing the indebtedness of the City by the issue of a general obligation note in the amount of \$1,000,000.00 for sundry purposes; fixing the form, number, date, interest, and maturity thereof; making a covenant for the payment of the debt service on the note; providing for the filing of the required service on the note; providing for the appointment of a sinking fund depository for the note; and authorizing execution, sale and delivery thereof.

Manager Greene stated the funds would be used for resurfacing and base repair of selected streets throughout the City. The interest rate would be at 1.625% for the years 2011 until 2020.

Motion Passed

Bob Roberts made a motion to publish Ordinance No. 262, seconded by Dennis Nero, and all were in favor.

2005 CDBG Closeout/Revisions

Tina Gradizzi, Community and Economic Development Coordinator, explained the following details for the 2005 CDBG Revision/Closeout:

The 4th Street/Depot Street Intersection project was awarded \$125,300 from the 2005 CDBG contract. At the end of the project in 2007 there was \$8,884.22 remaining in the project. When the City was awarded 2009 CDBG-R funding for the Depot Street Underground Utilities Project, Ms. Gradizzi had consulted with the Grant Manager about using the remaining 2005 funding for a portion of the Underground Utilities Project so the 2005 Grant could be closed out. The request was approved by the Grant Manager and the Environmental Review that was done for Depot Street was acceptable. For recordkeeping purposes for the final closeout of the 2005 CDBG funding, Council's approval was needed for the revision that was approved by the Grant Manager, to use the remaining 2005 CDBG 4th Street/Depot Street funding for the 2009 CDBG-R Underground Utilities project.

CITY OF SAINT MARYS COUNCIL WORKSESSION

OCTOBER 4, 2010

Motion Passed

Richard Gabler made a motion for record keeping purposes to approve using the remaining 2005 CDBG 4th Street/Depot Street funding for the 2009 CDBG-R Underground Utilities project, seconded by Daniel Hepner, and all were in favor.

Gerster Energy Proposals

George Fetchko from Gerster Energy approached Council and stated the two proposals that were being presented to Council were to ensure energy savings for the City and to upgrade their HVAC equipment. The options that were previously submitted to Council were the following:

1. Upgrading of City Hall, Fire/Police Building, Maintenance Facility (Garage), Benzinger and Memorial Park, with a total cost of \$476,327.00 and an estimated annual savings of \$33,000.00 for 15 years.
2. Upgrade City Hall only, with a total cost of \$207,042.00 and an estimated annual savings of \$17,664.00 for 11.7 years.

Motion

Bob Roberts made a motion to not accept either of the above stated options, seconded by Dennis Nero.

Discussion

Mayor Geyer asked why Councilman Roberts made the motion and he responded he believed the issue was not being addressed properly and was a "piecemeal" process.

Councilman Nero agreed.

Solicitor Jacob commented there would be money owed for the energy audits that were performed.

Amended Motion

Councilman Roberts amended his motion to include directing the Manager to apply for the recoverable portion of the energy audit fee from Allegheny Power, and Dennis Nero amended his second.

Motion Passed

All were in favor to not accept either option and to direct the Manager to apply for reimbursement, except Mayor Geyer who opposed.

TOPICS FOR DISCUSSION

Dynamic Energy, Inc. re: Solar Panel project for Depot Street Parking Garage

Bob Yoder from Dynamic Energy, Inc. approached Council and he gave a brief explanation of the proposed Solar Panel Project for the Depot Street Parking Garage Project. He stated he was asking Council for their approval to proceed with the project.

Manager Greene questioned if there was any cost to the City adjusting the parking garage to accommodate the solar panels and Mr. Yoder responded no.

Mayor Geyer inquired what the benefits were of the project and Mr. Yoder responded it would keep a majority of the precipitation off of the top level and would generate enough electricity to "net meter" City Hall, Parking Garage, Fire/Police building and both Memorial and Benzinger Parks. It would also generate extra power so the City could receive money back from Allegheny Power.

CITY OF SAINT MARYS COUNCIL WORKSESSION

OCTOBER 4, 2010

Councilman Hepner stated his concerns with the details of the project and those details would need to be addressed before Council could agree to enter into a contract.

Ty Carter from Allegheny Power approached Council and clarified the money refunded by Allegheny Power would be for transmission and generation costs, not distribution. All the other listed charges on the electric bills would still apply.

Mr. Yoder clarified that his company would be responsible for the cost of installation of the equipment.

Bob Roberts wanted to clarify what exactly Mr. Yoder was requesting Council to approve tonight. Mr. Yoder responded he was requesting Council to confirm they were in favor of the project.

Motion

Daniel Hepner made a motion to proceed with the Solar Panel Project, seconded by Richard Gabler, Jr.

Solicitor Jacob recommended the motion be contingent upon entering into a written contract with Dynamic Energy.

Amended Motion

Daniel Hepner amended his motion to proceed contingent upon entering into a power purchase agreement with Dynamic Energy, Inc., and Richard Gabler, Jr. amended his second.

John Hackett from the audience asked why Mr. Yoder could afford a solar panel roof and not a regular roof, and Mr. Yoder responded that a regular roof would not generate power.

Amended Motion Passed

All were in favor to proceed with the Solar Panel Project with the contingency of entering into an agreement with Dynamic Energy, Inc.

Downtown Hotel

John Weible from North Central Regional Planning and Development approached Council and presented a Cooperation Agreement between North Central, the City and St. Marys Hospitality, LP. The agreement would enable the Downtown Hotel Project to move forward by listing the City of St. Marys as the "host municipality" for a RACP Grant that North Central would be submitting.

Councilman Dornisch stated his concerns with the economy and how it would affect the hotel business.

Mr. Weible stated various benefits to having another hotel in the area.

Solicitor Jacob was concerned with the line item in the agreement that stated the City would agree to reimburse the Commonwealth for the state's share of any expenditure found to be ineligible and Mr. Weible responded that the following line item states the St. Marys Hospitality, LP agrees to reimburse the City within 90 days for any of the ineligible expenses.

CITY OF SAINT MARYS COUNCIL WORKSESSION

OCTOBER 4, 2010

Solicitor Jacob then stated if the City was not reimbursed by St. Marys Hospitality, LP it would be a liability to the City, but compensation could be pursued through the legal process.

Motion Passed

Richard Gabler, Jr. made a motion to accept the Cooperation Agreement for the Downtown Hotel Project, seconded by Dennis Nero, and all were in favor.

Tentative Dates for the 2011 City Budget

The following dates were selected for the City's 2011 Budget Hearings.

- November 3, 2010
- November 4, 2010
- November 8, 2010

All meetings are to be held at 7:00 p.m. until 9:00 p.m. in the Council Room at City Hall.

CITIZEN COMMENTS ON NON-AGENDA TOPICS

There were no citizen comments on non-agenda topics.

COUNCIL COMMENTS

Councilman Dornisch wanted to formally and publicly commend the St. Marys Chamber of Commerce on the wonderful job on cleaning up the parking lot after the "Wing Fling".

Councilman Roberts wanted to commend the Bavarian Fall Fest Committee and thanked them for their effort.

Councilman Hepner commented the North Central Gas Expo that is scheduled for October 14, 2010 at the former Walmart building currently had 128 registered vendors. The number keeps going up and it is anticipated that 3000 plus visitors could attend. There will be parking available at both hotels and the new Walmart. ATA is considering running a shuttle service to those locations.

Mayor Geyer also wanted to thank the Bavarian Fall Fest Committee. The Volksmarch walk was a success as was the K-9 Karnival.

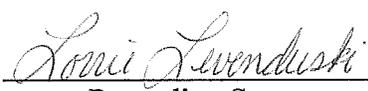
ANNOUNCEMENTS

Mayor Geyer made the following announcement:

- The next Council meeting will be Monday, October 18, 2010 at 7:00 p.m. at City Hall.
- The North Central Gas Expo will be held Thursday, October 14, 2010 from 10:00 a.m. until 6:00 p.m. at the former Walmart building.
- Trick or Treat will be held Sunday, October 31, 2010 from 6:00 p.m. until 9:00 p.m. by porch light invitation.

ADJOURNMENT

Bob Roberts made a motion to adjourn the meeting.


 Recording Secretary

 Mayor