

ALTOONA CITY COUNCIL SPECIAL MEETING MINUTES
MONDAY – OCTOBER 21, 2019 – 6:00 P.M.
CITY OF ALTOONA TRAINING FACILITY & COUNCIL CHAMBERS
1320 WASHINGTON AVENUE, ALTOONA, PA

The Meeting was recorded by Public Access and re-broadcast at a later time in the week.

CALL TO ORDER – by Vice-Mayor Cacciotti at 6:00 PM in Council Chambers

SILENT MEDITATION

PLEDGE OF ALLEGIANCE

ROLL CALL – taken by City Clerk Linda Rickens Schellhammer

Present: Council members Butterbaugh, Cacciotti, Cagle, Jordan, Kelley

Absent: Councilman Neugebauer and Mayor Pacifico

Chris Gibbons of Concord Public Finance stated he is serving as Financial Advisor to the City for the refinancing; Mr. Gibbons stated there will be a net savings to the City of \$290,000 with the refinance; Council set a floor in September of \$200,000; Mr. Gibbons stated they went to 34 different banks and received 6 proposals from 5 different banks and compared that to what would be available in the bond market; the City will save more with the best bank proposal than they would in the bond market so the recommendation is to refinance with the bank loan rather than a bond issue; also, the existing principal amount outstanding is \$9,683,000 and once the refinance takes place that will be the amount of principal outstanding afterwards as well; the City will actually pay the cost of issuance from its own money and then be reimbursed through the form of lower debt service next year; the idea of the refinancing savings will be the first six years; the net savings to the City will be approximately \$45,000; the last 2 years that number will be approximately \$30,000; the debt is not being stretched out any longer than it is now; the rate is 1.5% with Webster Bank of Providence, RI

Councilman Kelley asked about the savings reference and how many years; Mr. Gibbons stated it is over 8 fiscal years and it is spread out evenly; the net present value benefit of the period of time is \$290,000; fees are net

Jens H. Damgaard, Esquire, ECKERT SEAMANS CHERIN & MELLOTT, LLC, stated the ordinance that Council is doing the first reading of will be available and advertised for final enactment for the November 13th Council Meeting; the advertising is done in a special way under the Local Government Unit Debt Act; Attorney Damgaard stated they will file paperwork with the state, and once approval is received, the closing will take place; the interest rate is locked in and the savings are definite now and it is a matter of completing the paperwork; the City will be replacing 2 borrowings with 1 – the 2014 Bonds and 2015 A Note, which were capital borrowings

ORDINANCE - Introduction

AN ORDINANCE OF THE CITY OF ALTOONA, IN BLAIR COUNTY, PENNSYLVANIA, AUTHORIZING AND SECURING THE ISSUANCE OF ITS GENERAL OBLIGATION NOTE, SERIES OF 2019, IN THE PRINCIPAL AMOUNT OF \$9,683,000, PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, TO REFUND ITS GENERAL OBLIGATION BONDS, SERIES OF 2014 AND ITS GENERAL OBLIGATION NOTE, SERIES A OF 2015; ACCEPTING A BANK LOAN PROPOSAL; SETTING FORTH THE TERMS AND SUBSTANTIAL FORM OF THE NOTE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY TO SECURE THE NOTE; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS.

This ordinance was read into the record by City Clerk Linda Rickens Schellhammer and introduced by Councilman Butterbaugh.

2020 BUDGET REVIEW AND DISCUSSION – City Manager Peter Marshall

In the proposed 2020 operating budget, revenues are \$33,715,976 and expenditures are \$33,581,448 producing a positive balance of \$134,528. It is estimated that the City will have a positive balance at the end of 2019 of \$176,248. This budget is presented in an improved format intended to increase ease-of-use and provide greater transparency. The budgeted amounts for each line-item have been developed using historical data and informed estimates regarding current trends. This budget also utilizes a conservative approach regarding both revenue and expenditure projections.

REVENUES:

An additional 15% of a mil of real estate tax is included in order to create a more robust tree maintenance program in the City. Otherwise, revenue from real estate tax is held constant. Blair County does not certify assessed value until November.

Revenue from Licensing & Permitting is expected to increase slightly primarily as a result of an anticipated increase in the fees charged for street opening permits and additional revenue anticipated to be received for street restoration.

Intergovernmental revenues are generally stable. As you know, the City continues to apply for grants, and this could ultimately affect revenues received in this particular category.

Revenue the City receives for its lease of assets to the Altoona Water Authority have increased in accordance with the predetermined lease-payment schedule between the City and the Altoona Water Authority.

EXPENDITURES:

Expenditures include an overall increase in wages and salaries of 2%, and an increase in employee benefit costs equivalent to 4%.

Creation of the Right-of-Way Inspector, Engineering Manager, Human Resources Manager, and Assistant Fire Inspector positions have been included in the respective departmental budgets.

Inclusion of approximately \$860,000 in vehicle depreciation expense across all applicable departments, which will be transferred into the Vehicle Replacement Fund.

Creation of a tree maintenance program, which will be designed to provide a higher-level of tree maintenance including removal, trimming, and planting of trees in the City.

Increasing the City's Contribution to AMTRAN by \$4,191, and the Juniata Civic Association by \$1,500, based upon requests. We also received a request from the Central Blair Recreation Commission for an additional \$126,690. Not included in this budget is a request from the Altoona Public Library for \$75,000.

Adding debt service to show refinancing of existing debt, will save the City approximately \$290,000, and debt service to fund the City's 2020 and 2021 Capital Improvement Programs.

ALL PUBLIC COMMENT – offered and none given; there were not any members of the public present

QUESTIONS FROM THE MEDIA – Bill Kibler of the *Altoona Mirror* was present and asked questions

ADJOURNMENT – by Vice-Mayor Cacciotti at 6:36 p.m.