

Steelton Borough  
Council and Authority  
Joint Meeting  
June 16, 2003

The joint meeting of the Steelton Borough Council and the Steelton Borough Authority was called to order at 5:39 p.m., by the Borough Council President, Michael Kovach, and Authority Chairman, Matthew O'Keefe, followed by the pledge of allegiance.

In Attendance:

Absent:

For Steelton Borough Council

Michael Kovach  
Thomas Acri  
Michael Albert  
MaryJo Szada

Jeffery Wright  
Jeffrey Wrightstone  
Mayor George Hartwick, III

David A. Wion, Solicitor  
Michael G. Musser, II, Secretary  
Kathleen D. Handley, Assistant Secretary

For Steelton Borough Authority

Matthew O'Keefe  
Eileen Kovach  
Thomas Acri

Jeffery Wright

David A. Wion, Solicitor  
Michael G. Musser, II, Secretary  
Kathleen D. Handley, Assistant Secretary

Mr. Kovach introduced the Bond Counsel, Mr. Frank Leber of Rhoads & Sinon. Mr. Leber said he has had the privilege of serving as the bond counsel for the Borough for the past two decades and was here tonight to make a presentation regarding the refunding of our 1998 bonds and a presentation with regards to financing new money. Mr. Leber gave a background on the last bond financing and explained that, if the Council and Authority determined to proceed with the refunding and new borrowing, it would be one series with the Borough with allocated portions and a Subsidy Agreement with the Borough Authority and that is why this is a joint meeting.

Mr. Leber introduced Louis Verdelli, the Managing Director of Public Financial Management to present the numbers. Mr. Verdelli then introduced his associates Shannon Smith and Scott Shearer and distributed copies of a financial update.

Mr. Verdelli said that the Borough will have an opportunity to refund the 1998 Bonds, which has a balance of \$3,505,000. He noted that they cannot be refinanced until mid July with a potential savings after issuance costs of \$152,000, which would be allocated to the various funds. Mr. Verdelli informed the Council and Authority Members that if they authorize them to proceed this evening, the potential time line would be to do the bond sale July 21<sup>st</sup>, and settlement would be around September 3, 2003. Mr. Verdelli confirmed that the interest rates are at the lowest they have seen in fifty years and it would make a great deal of sense to add in new money. Mr. Verdelli advised that the Borough and Authority should expect to spend 85% of the funds within a three-year period.

Dr. Szada referred to page eleven (11) of the financial update and inquired about the costs of issuance. Mr. Verdelli explained that the \$90,000 includes fees for the services of the Borough and Authority Solicitors, the Bond Counsel, Mr. Leber, Mr. Verdelli's firm, the credit rating, the financial documents, the engineer's report, bank fees and legal advertising requirements. Mr. Verdelli said that amount would be broken out at settlement. Mr. Leber said the savings are after the issuance costs.

Mr. Musser said Council and Authority Members have copies of the Departmental requests for projects. Mr. Musser asked the Council and Authority Members to review the requests and if they had any questions, let him know so he can get the answers. Mr. Musser said there would be another meeting prior to selecting the projects.

Mr. Leber said that once the Council and Authority give their direction, we can begin our work to position the Borough to enter the refinancing market, which takes some time. He said during that period of time, it is not necessary for them to know the exact amount of new borrowing. Mr. Leber said that they prepared a Resolution for the Council and one for the Authority if they are prepared to proceed.

**RESOLUTION 2003-R-26**, A RESOLUTION OF THIS BOROUGH APPOINTING A FINANCIAL ADVISOR AND BOND COUNSEL AND DETERMINING PRELIMINARILY TO PROCEED TO ISSUE GENERAL OBLIGATION BONDS OF THIS BOROUGH ; AND AUTHORIZING PROPER OFFICERS OF THIS BOROUGH, THE SOLICITOR, BOND COUNSEL AND SUCH FINANCIAL ADVISOR TO TAKE CERTAIN ACTION, was presented for Council's consideration.

On a motion by Dr. Szada, seconded by Mr. Albert, Council Members present voted unanimously to adopt RESOLUTION 2003-R-26, as presented.

**RESOLUTION 1, A RESOLUTION OF THIS AUTHORITY APPOINTING A FINANCIAL ADVISOR AND BOND COUNSEL AND DETERMINING PRELIMINARILY TO REQUEST THE BOROUGH OF STEELTON, DAUPHIN COUNTY, PENNSYLVANIA, TO PROCEED TO ISSUE GENERAL OBLIGATION BONDS OF THE BOROUGH; AND AUTHORIZING PROPER OFFICERS OF THIS AUTHORITY, THE SOLICITOR, BOND COUNSEL AND SUCH FINANCIAL ADVISOR TO TAKE CERTAIN ACTION,** was presented for the Authority Members consideration.

On a motion by Mrs. Kovach, seconded by Mr. Acri, Authority Members present voted unanimously to adopt RESOLUTION 1, as presented.

There being no other business before the Authority, on a motion by Mrs. Kovach, seconded by Mr. Acri, the meeting adjourned at 6:07 p.m.

There being no other business before the Council, on a motion by Mr. Acri, seconded by Mr. Albert, the meeting adjourned at 6:08 p.m.

Respectfully Submitted,

---

Michael G. Musser, II  
Secretary

---

Kathleen D. Handley  
Assistant Secretary