

MUNICIPAL AUTHORITY MEETING MINUTES

APRIL 19, 2001

The meeting of the Municipal Authority of the Township of Upper St. Clair, duly advertised and posted in accordance with law, was called to order at 4:30 PM on Thursday, April 19, 2001, in the Board of Commissioner's Meeting Room, Township Municipal Building, 1820 McLaughlin Run Road, Upper St. Clair, PA 15241.

PRESENT:	C. James Parks	Chairman
	Thomas I. Samson	
	Douglas A. Watkins	Secretary-Treasurer
	Charles P. McCullough	Solicitor
EXCUSED:	Charles R. Molzer	Permanently relocated from the Township
	Wallace P. Hough	Permanently relocated from the Township
PUBLIC:	Approximately 4	

Mr. Parks stated that the purpose the meeting is to respond to the Resolution of the Township of Upper St. Clair relating to the bonding authority that the Municipal Authority has under the Municipal Authority Act. No formal actions are to be taken at this meeting, but discussion will continue from December, 1998.

APPROVAL OF MINUTES FROM DECEMBER 16, 1998

Mr. Watkins moved that the minutes be corrected. He stated that although the minutes reflect that there was a vote to adopt Resolution No. 1-98, he felt that the action that was taken at that meeting was to table the Resolution, pending the report on the demand study. The Resolution, however, needs to be reformatted. This was seconded by Mr. Samson and carried with a 3-0 voice vote.

DISCUSSION RE. MUNICIPAL LOAN POOL PROGRAM

Mr. Parks reviewed the history of the Municipal Authority, and its the role and relationship to the Township of Upper St. Clair.

He added that the Municipal Authority does not meet at regular intervals, but rather when there is a need.

Mr. Watkins related that since the last meeting on December 16, 1998, work has begun to investigate the need for a bond bank program. He further explained a bond bank program and identified several capital funding requirements for the Township.

Mr. Watkins introduced Mr. Louis Gorski, Executive Director of the South Hills Area Council of Governments (SHACOG), and explained its role in the bond bank program.

Mr. Watkins further stated that several municipalities have passed a Resolution of Intent, expressing interest in the program and identifying a level of potential borrowing.

At this time, Mr. Parks introduced Mr. Greg Zappala, President of RRZ Capital Markets, and Ms. Suzanne Parks, Senior Vice-President, Arthurs Lestrage.

Mr. Zappala explained arbitrage issues, unused proceeds, interest rates and the procedure that potential borrowers will follow. He added that the costs associated with the program are totally borne by the program, with the risk taken by the bond insurer. He cited several examples of the advantages of this program over borrowing in the marketplace.

Mr. Zappala explained the timetable for Mr. Parks. He added that another public hearing will be necessary to authorize the issuance of the bonds.

Mr. Watkins added that the Township would follow the same procedures as any other municipality utilizing the program. A Resolution would need to be advertised and passed. Mr. Watkins wanted to make it very clear to the municipalities that this is not a Township program, but rather a program of the Municipal Authority.

Mr. Zappala emphasized that it will not be the Municipal Authority's responsibility to approve the credit for potential borrowers. The insurer will approve the credit and then issue a letter of approval. As the money is repaid to the program, it can be loaned again to another borrower.

Mr. Zappala explained why this program is the best for this community and why the Municipal Authority chose his firm and Arthurs Lestrage.

A decision was made to prepare a fact sheet. Mr. McCullough requested a copy of the Ambac insurance.

In answer to a question from Mr. McCullough, Mr. Zappala stated that Three Rivers Wet Weather is no longer involved.

Mr. McCullough also suggested that a form resolution be prepared for interested communities, as well as the fact sheet.

PUBLIC COMMENTS

At this time, Mr. Watkins asked Mr. Bruce Glidden, 1575 Tiffany Drive, who was present in the audience, if the meeting had sufficiently supplied all the information on the bond bank program that he had previously requested. Mr. Glidden replied that he felt quite comfortable about the program.

OTHER BUSINESS

Mr. Watkins asked Mr. McCullough to revise and update Resolution No. 198.

Mr. Zappala reviewed the costs for the Authority.

Mr. Watkins stated that of the five Municipal Authority members, Mr. Hough and Mr. Molzer have moved out of the community. And although they continue to serve on the Authority until their successors are appointed, they are not comfortable on acting on this program, as they are no longer residents. Work has begun to find their replacements.

MOTION AND VOTE TO REORGANIZE

Mr. Watkins moved to reorganize the Authority and elect Mr. Parks as Chairman, Mr. Samson as Vice-Chairman and himself as Secretary/Treasurer. This was seconded by Mr. Samson and carried with a 3-0 voice vote.

MOTION AND VOTE TO SET THE NEXT MEETING DATE

Mr. Samson moved to set Monday, May 14, 2001, at 7:30 PM, as the next meeting date to review the fact sheet with the citizens and adopt a revised Resolution No. 198. Mr. Gorski added that it may be worthwhile to have representatives from interested municipalities attend the meeting. This was seconded and carried with a 3-0 voice vote.

ADJOURNMENT

Mr. Watkins moved to adjourn. This was seconded by Mr. Samson and carried with a 3-0 voice vote. The meeting was adjourned at approximately 6:05 PM.

Candice Moore
Recording Secretary
April 29, 2001