**BOROUGH OF ELIZABETH**

September 5, 2019

Special Meeting of Council

**Members Present:** Paul Shaner, Robin Payne-Min, Julius Brown, Gregory Huschak, Cynthia Morris and Andrew Miklos

**Absent:** Chad Rager

**Also Attending:** Police Chief William Sombo, Solicitor Krisha DiMascio and Mayor Barry Boucher

R**ecorded by:** Pamela Sharp, Secretary

**Order**

This special meeting of Council was called to order at 4:20-PM by Council President Paul Shaner.

Solicitor DiMascio said that this meeting was properly advertised for the purpose of obtaining a loan. Council advertised the passage of its ordinance, and it will also do a concurring resolution. The lender sent her a copy of the amortization schedule and a copy of the note. Council will not execute the note until the closing.

At the last meeting, Council passed a motion to not exceed a loan amount of $500,000. The actual loan amount that was advertised was $350,000. The $350,000 loan has a 5-year fixed interest rate of 3.97%. At the end of 5 years, the Borough is not legally permitted to enter into a variable rate, but it can enter into a rate with a cap, but it cannot exceed 6%. In addition, there is no early pay-off penalty. For example, if the Borough decides in December that it only needs $200,000, then it can take the unused $150,000 and pay it toward the principal.

The interest against $350,000 over a 10-year period is $75,783.98. This translates into a monthly payment of $3,548.20, or $42,578.40 annually. Each year, the Borough has been taking out a TAN loan, which Council does not anticipate taking next year, at a cost of $75,000 plus interest.

As Council has discussed previously, approximately $180,000 of this loan will be used to pay off the three police vehicles. The remainder can be used to purchase equipment for the Public Works Department, a paving project, fixing the retaining wall on Maple Avenue, or whatever the Borough needs.

Solicitor DiMascio said that Council is going to have to execute all of the loan documents, including a Debt Statement and a Borrowing Base Certificate which Pam Sharp is already working on, and there needs to be five originals made of all of the documents - one for Borough records, one for the DCED, one for the bank, one for the Solicitor’s office, and one for the Borough Secretary.

Solicitor DiMascio said that the Borough will need to spend 75% of the loan over a 3-year period.

A motion was made by A. Miklos and seconded C. Morris to approve the ordinance to borrow $350,000 from Farmer’s Bank. Those in favor: Vice President Rager, R. Payne-Main, J. Brown, C. Morris, A. Miklos and President Shaner. Those opposed: None. **All in favor, motion was carried.**

A motion was made by C. Morris and seconded by G. Huschak to accept the resolution from Farmers Bank for the loan. Those in favor: Vice President Rager, R. Payne-Main, J. Brown, C. Morris, A. Miklos and President Shaner. Those opposed: None. **All in favor, motion was carried.**

A motion was made by C. Morris and seconded by Vice President Rager to authorize Paul Shaner, Chad Rager and Pamela Sharp to execute any documents necessary to finalize the loan. Those in favor:

Vice President Rager, R. Payne-Main, J. Brown, C. Morris, A. Miklos and President Shaner. Those opposed: None. **All in favor, motion was carried.**

**PUBLIC COMMENT**

None.

**GOOD OF THE ORDER**

None.

**ADJOURNMENT**

With no other business before this Council, a motion was made by C. Morris and seconded by

A. Miklos that the meeting be adjourned at 4:35-PM. **All in favor, motion was carried.**

**I enter these Minutes into the public record having been duly recorded and accepted at a public meeting.**

**Respectfully submitted,**

**Pamela J. Sharp, Secretary**