

Borough of New Stanton
Borough Council
September 24, 2019
Minutes of Meeting

Attendance

Council members: Todd Bartlow, Linda Echard, Ray Strosko, Tom Theis, and Mayor Ronald Echard. Also: Borough Solicitor John Campfield, and Borough Manager Jeffrey McLaughlin. Absent: Joshua Bennett, Scott Sistek and Tom Smith.

Call to Order

President Raymond Strosko called the meeting to order at 5:30 PM.

Invocation

Linda recited a prayer.

Pledge of Allegiance

The Pledge was recited.

Approval of Minutes of September 3, 2019 Meeting

Tom T. made a motion seconded by Linda to accept the September 3, 2019 minutes. Motion passed unanimously.

Guests

David Hauger and Rob Cammarata were present representing the New Stanton Volunteer Fire Department

Opportunity for Public Comment – Items not on the Agenda

There were no comments regarding items not on the agenda.

Council Additions to Agenda

There were none.

Opportunity for Public Comment -- on Agenda Items Only

There were no comments regarding items on the agenda.

Agenda

1. M/V to Adopt Resolution 2019-925 to Purchase a KME Rescue Truck from Keystone Fire Apparatus, Inc. in the amount of \$589,250

John and Jeff reviewed the latest on the truck as well as the financing. John stated that the Resolution he drafted for consideration has the truck being co-owned with the New Stanton

Volunteer Fire Department. The contract with Keystone Fire Apparatus would also have to be amended to reflect the purchase being made by the borough as well as the NSVFD. In this way the borough could be eligible to apply for a 2% loan in the amount of \$220,000 from the state Office of the Fire Commissioner. The borough does have an outstanding loan on a truck with the state.

John pointed out that the contract for the truck does not require any money down, but there is an option to pay up front saving 2.24% of the cost. He stated that Jeff contacted a leasing company (the name was provided by Keystone Fire Apparatus) and a couple of banks regarding financing. Jeff stated that a bond, costing \$2,121, or a letter of credit, costing 1% - 1.5% of the loan amount, would be required if the truck is paid for up front. John also pointed out that if the borough invested the money instead of paying for the truck upfront there will be the benefit of earning interest. Jeff pointed out that the state will not provide their loan proceeds until a week before the truck is delivered. Rob stated that we would lose leverage by paying up front. He pointed out that the firemen will be doing periodic inspections at the factory to ensure it is being built to specifications. Jeff reviewed the financing proposals.

John stated that the Resolution will allow the borough and NSVFD to order the fire truck before October 1, 2019 thus avoiding a 3.5% price increase but will still allow us to decide what direction to go on financing.

Linda made a motion seconded by Tom T. to adopt Resolution 2019-925 that will enter the borough into an agreement to purchase the fire truck with zero money down. Motion passed unanimously.

2. Discussion and Possible M/V to take out loan to purchase Rescue Truck

Linda asked when we should look at putting the financing in place. John stated that it should be looked at before 6 months pass. He stated that we should review the borough's current financial situation and budget. Jeff reviewed the funding that the borough has that is not earmarked for other uses.

Linda stated that the financing can be looked at during the budget meetings which are coming up in October.

Linda made a motion seconded by Todd to table agenda item #2 and engage the Finance Committee to look at the current budget and projections for next year along with our financing options and make recommendations to council as to how we will finance the fire truck. Motion passed unanimously.

Rob brought up selling the truck that will be replaced to another fire company. He also mentioned the idea of contacting a broker that sells used fire trucks over the next couple of months about marketing the truck.

Additional Opportunities for Public Comment

Jeff reported that the fire department submitted their 990 and applied for 501(c) 3 status from the IRS.

Adjournment

Tom made a motion seconded by Todd to adjourn the meeting at 6:19 PM. Motion passed unanimously.

Respectfully submitted,

Jeffrey McLaughlin
Secretary