

Planning Commission Meeting – May 2019

Crafton Attending: Planning Commission - Ashley McCullough, Lydia Herring, Rich Kraemer, Kirsten Compitello, Phil Levasseur (Phil also on Crafton Planning)

Crafton Council: Colletta Perry, Fred Amadola, Alice Glaser, Solicitor Korbel, Brad Crouse

Call To Order: 7:00

LA joint meeting of Crafton Council and Crafton Planning was held to hear a presentation from Boenning and Scattergood on borrowing money / cost of a bond to be initiated by Crafton. The presentation was made by Michael Bova, Managing Director (Carnegie Office). Mr. Bova mentioned that his firm is very active in bond creation with 13 Regional Offices (165 employees).

Crafton wanted to explore borrowing \$5-\$10 Million for current projects. The options were 20, 25 or 30 year loans. From a handout that was passed out the question were on the millage impact, new budget impact and debt service over 20 or 25 year loans of \$5 or \$10 million.

Mr. Bova talked about the changes that come about as result of the Tax Bill of 2017. He went on to point out that if we chose to move forward on gaining a bond that laws govern the bond money would need to spent at 5% needs to be spent in the first 6 months and 85% needs to be expended in the first 3 years. He did make mention of the fact that the last bond was gotten by Crafton in the 1950's/ 1960's.

It was then opened up for question and a few attendees asked the question that was on everyone's mind of – "What would be the cost to the borough if we would borrow \$10 million.

Mr. Bova broke down the cost in the following way.

Borrowed amount: \$10 million

\$10 million + fees (\$2,500 – Bond Council and \$1250 – Solicitor's fee) + \$12,000 – Rating + \$125,000 – Cost of issuance.

Additional to the above the interest rate would be approximately 3.25%.

Meeting adjourned at 8:48

