

MONDAY, NOVEMBER 23, 2020

The regular monthly meeting of the Council of the City of Lebanon, Pa., was held in Council Chamber of the Municipal Building, Lebanon, Pa., this evening, Chairperson Carey presiding.

The meeting was called to order at 6:34 p.m.

Present--Mr. Bost, Mr. Miller, Mr. Morales, Mr. Wertz, and Mr. Carey, Chairperson.  
Absent--none.

Also present were Mayor Sherry L. Capello; Chief of Police Todd Breiner; Donna Long Brightbill, City Solicitor; Robin L. Getz, Director of Public Works; Janelle Mendoff, Community and Economic Development Administrator; Melissa E. Quinones, Director of Administration-Assistant to the Mayor; Duane Trautman, Fire Commissioner; Helen Westphal, Finance Officer; and two persons in the audience.

The minutes of the October 26 and November 12, 2020, City Council meeting were presented by the City Clerk. There being no corrections, deletions or additions, the minutes were approved as presented.

Chairperson Carey announced that Council received a budget report for the period January 1 through October 31, 2020. Mayor Capello that 83 percent of the budget year is completed; revenues are almost at 90 percent, and expenditures are at 73 percent. Compared for the same period in 2019, revenues were at 95 percent and expenditures were at 75 percent. She noted that the cuts to capital improvements and large purchases in 2020 kept expenditures in line.

Chairperson Carey announced that Council received a communication from Barbacane Thornton & Company, transmitting the audit of the City of Lebanon Financial Statements for the year ended December 31, 2010. Chairperson Carey congratulated Mayor Capello and staff on the "clean" audit report with no findings or recommendations.

Mr. Wertz introduced Resolution No. 20, as follows:

A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF LEBANON TO EXECUTE AN AGREEMENT OF SALE WITH HARRISBURG AREA COMMUNITY COLLEGE FOR THE PURCHASE OF PROPERTY AT 735 CUMBERLAND STREET, LEBANON, WHICH SETTLEMENT SHALL BE MADE ON OR BEFORE JUNE 30, 2021, AS LONG AS THE PRICE PAID BY THE CITY DOES NOT EXCEED \$2.2 MILLION AND THE SPECIFIC CONDITIONS DISCUSSED WITH COUNCIL ARE INCLUDED WITHIN A FINAL AGREEMENT OF SALE AND TO EXECUTE RELATED AGREEMENTS INVOLVING THE PROJECT.

Be It Resolved by the Council of the City of Lebanon, Pa., and it is hereby resolved by the authority of the same, That:

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SECTION 1. The Mayor of the City of Lebanon, Lebanon County, is hereby authorized to execute an Agreement of Sale with Harrisburg Area Community College for the purchase of property situate at 735 Cumberland Street, Lebanon, which settlement shall be made on or before June 30, 2021, as long as the price paid by the City does not exceed \$2.2 million and the specific conditions discussed with Council are included within a final Agreement of Sale and to execute related agreements involving the project.

SECTION 2. A copy of the executed Agreement of Sale shall be attached to and hereby made part of this resolution.

Mayor Capello explained that this resolution is similar to the resolution adopted in December 2019. However, the date of settlement was extended from January 1, 2021, to June 30, 2021, because the project was delayed as a result of the COVID pandemic. She added that the resolution also allows the Mayor to execute agreements affiliated with the project including lease agreements and developers' agreements.

Resolution No. 20 was passed finally on motion of Mr. Bost, seconded by Mr. Miller. Yeas--Mr. Bost, Mr. Miller, Mr. Morales, Mr. Wertz, and Mr. Carey, Chairperson--5; nays--none.

Mr. Miller introduced Resolution No. 21, as follows:

A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF LEBANON TO EXECUTE AN AGREEMENT OF SALE WITH THE COUNTY OF LEBANON FOR THE SALE OF THE CITY'S PORTION OF THE MUNICIPAL BUILDING, 400 SOUTH EIGHTH STREET, LEBANON AND FOR PROPERTY LOCATED AT 641 OAK STREET, LEBANON, CONTAINING .98 ACRES, WHICH SETTLEMENT SHALL BE MADE ON OR BEFORE MAY 31, 2022, AND TO EXECUTE RELATED AGREEMENTS PERTAINING TO THE PURCHASE AND LEASE OF THE BUILDING AND/OR PROPERTIES.

Be It Resolved by the Council of the City of Lebanon, Pa., and it is hereby resolved by the authority of the same, That:

SECTION 1. The Mayor of the City of Lebanon, Lebanon County, is hereby authorized to execute an Agreement of Sale with the County of Lebanon for the sale of the City of Lebanon's portion of the Municipal Building, 400 South Eighth Street, Lebanon, and for property located at 641 Oak Street, Lebanon, containing .98 acres, which settlement shall be made on or before May 31, 2022, and to execute related agreements pertaining to the purchase and lease of the building and/or properties.

SECTION 2. A copy of the executed Agreement of Sale shall be attached to and hereby made part of this resolution.

Mayor Capello reported that in order to move forward and relocate city offices downtown, we need to sell the City's share of the Municipal Building. In addition, the County

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of Lebanon wanted to purchase the parcel at 641 Oak Street where the HAZMAT building is located. The City will still have use of the property to build a salt shed in the future; however, the parcel will be owned by the County of Lebanon.

Resolution No. 21 was passed finally on motion of Mr. Miller, seconded by Mr. Morales. Yeas--Mr. Bost, Mr. Miller, Mr. Morales, Mr. Carey, Chairperson--5; nays--none.

Mr. Morales introduced Resolution No. 22, as follows:

A RESOLUTION AUTHORIZING THE DISPOSITION OF VARIOUS DOCUMENTS IN THE COMMUNITY AND ECONOMIC DEVELOPMENT OFFICE.

WHEREAS, by virtue of Resolution No. 36, Sessions 2008-2009, passed finally by City Council on April 27, 2009, the City of Lebanon declared its intent to follow the procedures for the disposition of records as set forth in the Retention and Disposition Schedule for Records of Pennsylvania Municipalities issued on December 16, 2008; and

WHEREAS, in accordance with Act 428 of 1968, each individual act of disposition shall be approved by resolution of the governing body of the municipality.

NOW, THEREFORE, Be It Resolved by the Council of the City of Lebanon, Pa., and it is hereby resolved by the authority of the same, That:

SECTION 1. The disposition of the attached miscellaneous administrative records in the Community and Economic Development Office is hereby approved.

SECTION 2. A copy of the list of documents is attached to and hereby made part of this resolution.

Resolution No. 22 was passed finally on motion of Mr. Morales, seconded by Mr. Carey. Yeas--Mr. Bost, Mr. Miller, Mr. Morales, Mr. Wertz, and Mr. Carey, Chairperson--5; nays--none.

Mr. Carey called up Bill No. 2 on final reading, the title of which is as follows: "AN ORDINANCE MAKING APPROPRIATIONS OF THE CITY OF LEBANON, PA., FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2021, AND ENDING DECEMBER 31, 2021".

Mayor Capello reported that she is very proud of Helen's and the rest of Senior Staff's efforts to put together a budget that has no tax increase for the sixth consecutive year. She added that this was the most challenging budget to prepare since taking office.

Bill No. 2 was passed finally on motion of Mr. Carey, seconded by Mr. Morales. Yeas—Mr. Bost, Mr. Miller, Mr. Morales, Mr. Wertz, and Mr. Carey, Chairperson—5; nays—none.



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Mr. Wertz introduced Bill No. 3, as follows:

AN ORDINANCE PROVIDING FOR THE TAX LEVY OF THE CITY OF LEBANON, PA., FOR THE YEAR 2021.

Be It Ordained by the Council of the City of Lebanon, Pa., and it is hereby ordained by the authority of the same, That:

SECTION 1. The rate of taxation of the City of Lebanon, Pa., for the fiscal year 2021 and for general revenue purposes shall be Four and Five Hundred Eighty-One Thousandths (4.581) mills upon the dollar of the assessed valuation of all the real, personal and mixed property within the limits of said City, taxable for City purposes; such rate of taxation being at the rate of Forty-Five and Eighty-One Hundredths Cents (\$.4581) on each One Hundred Dollars (\$100.00) of the assessed valuation of such taxable property, which assessed valuation is the sum of Eight Hundred Sixty-Three Million Five Hundred Forty-Three Thousand Three Hundred Dollars (\$863,543,300.00).

SECTION 2. Any ordinance or part of ordinance conflicting with the provisions of this ordinance be and the same is hereby repealed so far as the same affects this ordinance.

Bill No. 3 was introduced and will be considered on final reading at the City Council meeting of December 14, 2020, on motion of Mr. Wertz, seconded by Mr. Carey.

Mayor Capello reported that the millage will remain at 4.851. In 2021, the city tax bill for the average property with an assessed value of \$103,000 will continue to be approximately \$473.00.

Yeas--Mr. Bost, Mr. Miller, Mr. Morales, Mr. Wertz, and Mr. Carey, Chairperson--5; nays--none.

Mr. Bost introduced Bill No. 4, as follows:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION NOTE, SERIES OF 2021 IN A PRINCIPAL AMOUNT OF ONE MILLION DOLLARS (\$1,000,000); PROVIDING FOR THE DATED DATE, INTEREST RATE, MATURITY DATE, PAYMENT AND PLACE OF PAYMENT IN RESPECT OF THE NOTE; ACCEPTING THE PROPOSAL ATTACHED HERETO AS EXHIBIT "B" FROM THE FINANCIAL INSTITUTION OR ENTITY NAMED THEREIN FOR THE PURCHASE OF THE NOTE; NAMING A SINKING FUND DEPOSITARY/PAYING AGENT; AUTHORIZING THE PROPER OFFICERS OF THE CITY TO EXECUTE AND DELIVER THE NOTE AND CERTAIN OTHER DOCUMENTS AND CERTIFICATES IN CONNECTION THEREWITH; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING OF THE NECESSARY DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA; SETTING FORTH A FORM OF THE NOTE.



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WHEREAS, City of Lebanon, Lebanon County, Pennsylvania (the “City”), anticipates receiving taxes and other revenues during the fiscal year ending December 31, 2021, which taxes and other revenues are currently uncollected; and

WHEREAS, the City has estimated, on a monthly basis, its expected taxes, revenues and expenditures for the fiscal year ending December 31, 2021, and has determined that during a portion of such fiscal year it will experience a “cumulative cash flow deficit” as such phrase is defined in the regulations promulgated under Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the City has determined to borrow monies for the purpose of funding, in part, such cumulative cash flow deficit by issuing a note to be repaid from the anticipated taxes and revenues, all in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act 53 Pa.C.S., Chapters 80-82, as reenacted and amended (the “Debt Act”); and

WHEREAS, the City has received an acceptable proposal for the purchase of its Tax and Revenue Anticipation Note as hereinafter described; and

WHEREAS, as required by Section 8126 of the Debt Act, officials of the City have heretofore made an estimate of the taxes and revenues to be received during such fiscal year ending December 31, 2021, and, by their execution of a certificate with respect thereto dated this date, have certified to such estimate.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Council of the City of Lebanon, Lebanon County, Pennsylvania (the “Council”), in lawful session duly assembled, as follows:

Section 1. For the reasons and purposes recited above, the City hereby exercises its power and authority to borrow money and authorizes the issuance and sale of its Tax and Revenue Anticipation Note, Series of 2021, in the principal amount of One Million Dollars (\$1,000,000) (the “Note”) in anticipation of the receipt of current taxes and revenues during the fiscal year ending December 31, 2021, such Note to be issued, sold and delivered as hereinafter provided.

Section 2. The Mayor and the City Clerk are hereby authorized and directed, in the name and on behalf of the City, to prepare and file with the Department of Community and Economic Development of the Commonwealth of Pennsylvania a certified copy of this Ordinance, a certificate setting forth the taxes and revenues to be collected in the fiscal year ending December 31, 2021, and a true copy of the accepted Proposal (hereinafter defined) for the purchase of the Note, all as set forth in and required by Section 8128 of the Debt Act. The Mayor and the City Clerk are also hereby authorized and directed, in the name and on behalf of the City, to prepare and verify a certificate, in accordance with Sections 103 and 148 of the Code and the regulations applicable thereto, setting forth the anticipated use of the proceeds, to prepare and deliver to the Purchaser of the Note the certificate required by Section 8127 of the Debt Act relating to the total amount of the City’s tax and revenue anticipation notes outstanding on the date of delivery

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of the Note, and to take any and all other action, and to execute and deliver any and all other documents and instruments, as may be necessary, proper or desirable to effect the issuance and sale of the Note as contemplated herein. The certification made on the date of enactment of this Ordinance by the aforementioned officials of the City, relating to the amount of taxes and other revenues remaining to be collected by the City in the fiscal year ending December 31, 2021, is hereby ratified and approved.

Section 3. The Note shall be designated “City of Lebanon, Lebanon County, Pennsylvania, Tax and Revenue Anticipation Note, Series of 2021”, shall be in registered form, without coupons, shall be prepayable prior to maturity, shall be in the denomination of One Million Dollars (\$1,000,000), shall be dated the date of issuance, shall bear interest at the rate of interest set forth in the Proposal from the date of delivery until maturity, shall mature on December 31, 2021, and shall be payable as to principal and interest at the place and in the manner and be otherwise in substantially the form set forth in the form of Note attached as Exhibit “A” hereto and the Proposal attached as Exhibit “B” hereto.

Section 4. The Note, when issued, will be a general obligation of the City.

Section 5. The Note shall be executed by the Mayor and the City Clerk and shall have the corporate seal of the City affixed thereto. The Mayor and the City Clerk are further authorized and directed to deliver the Note to the Purchaser hereinafter named upon the terms and conditions hereinafter provided and to execute and deliver such other documents and instruments and to take such other action as may be necessary or appropriate to effect the issuance and sale of the Note in accordance with this Ordinance and the Debt Act.

Section 6. The Note, together with any other tax and revenue anticipation notes issued, or to be issued, by the City during the City’s fiscal year ending on December 31, 2021, shall, upon issuance thereof, be equally and ratably secured by a pledge of, security interest in, and a lien and charge on, the taxes and other revenues to be received by the City during the period when the Note is outstanding; and the Mayor and the City Clerk are hereby authorized and directed to prepare and file, or to have filed, such financing statements as may be necessary to fully perfect such pledge, security interest, lien and charge pursuant to the Pennsylvania Uniform Commercial Code and Section 8125 of the Debt Act.

Section 7. The City hereby covenants that it will not make any use of the proceeds of the Note or do or suffer any other action which, if such use or action had been reasonably expected on the date of issuance of the Note, would cause the Note to be an “arbitrage bond” or a “private activity bond” as such terms are defined in Section 148 or Section 141 of the Code and the regulations applicable thereto and further covenants that it will comply with Section 148 and Section 141 of the Code, and with any regulations applicable thereto, throughout the term of the Note, including without limitation, any requirements relating to a rebate of certain excess earnings pursuant to Section 148(f) of the Code of any regulations applicable thereto now existing or promulgated hereafter. In connection therewith, the Mayor and the City Clerk are hereby authorized and directed to execute and to deliver, in the name and on behalf of the City, any and all documents or other instruments which Stevens & Lee, P.C., Bond Counsel, may reasonably request to provide its opinion that the Note is not an “arbitrage bond” or a “private





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activity bond” within the meaning of Section 148 and Section 141 of the Code and the regulations applicable thereto.

Section 8. The formal proposal (the “Proposal”) of the lender identified therein (the “Purchaser”), presented to the Council is attached hereto as Exhibit “B”, is hereby accepted and the Note is hereby awarded to the Purchaser at a private sale for the purchase price of \$1,000,000. The terms of the Proposal are incorporated herein by reference with the same effect as if set forth in full at this place. The Mayor and the City Clerk are hereby authorized and directed to accept the Proposal, in the name of and on behalf of the City, by executing the City’s acceptance on an original copy of the Proposal, to deliver a copy of the same to the Purchaser and to file the original with the records of the City.

The Mayor and the City Clerk are hereby authorized to deliver the Note to the Purchaser upon receipt of the full principal amount of the purchase price for such Note and upon compliance with all conditions precedent to such delivery as required by the Debt Act, this Ordinance and the Proposal; and such Mayor and City Clerk are hereby authorized and directed to prepare, verify and deliver to the Purchaser concurrently with the delivery of the Note, the certificate required by Section 8127 of the Debt Act, a copy of which certificate shall be retained with the records of the City until all tax and revenue anticipation notes issued by the City during the fiscal year ending on December 31, 2021, shall have been paid in full.

Section 9. The form of the Note shall be substantially as set forth and attached hereto as Exhibit “A,” which form is hereby incorporated by reference and adopted as if fully recited at length herein and said form is hereby approved by this Council.

Section 10. The proper officers of the City are hereby authorized, empowered and directed to contract the Purchaser for its services as paying agent and sinking fund depository (the “Paying Agent”) in accordance with the terms of the Proposal, this Ordinance and the Debt Act. The proper officers of the City are hereby authorized to establish a sinking fund for the Note with the Paying Agent for the benefit of the holder of the Note. The City Controller or other proper officer of the City is hereby authorized and directed to make deposits to the sinking fund to be held for the payment of principal and interest on the Note no later than the date of final maturity thereof.

Thereafter, the Paying Agent shall, without further authorization or direction from the City or any of its officials, withdraw moneys from the sinking fund and apply such moneys to the payment of principal and interest then due on the Note. Deposit by the City into the sinking fund of the full amount of such money shall satisfy in full the obligation of the City to pay principal and interest with respect to the Note.

Section 11. The City hereby appoints Stevens & Lee, P.C., to serve as Bond Counsel and Financial S&Lutions LLC to serve as financial advisor to the City, all in connection with the issuance and sale of the Note.

Section 12. The City Controller or other proper official of the City is hereby authorized and directed to pay at, or subsequent to, the closing for the issuance of the Note, all costs and expense of the issuance incurred by or on behalf of the City or required to be paid by the City, all in accordance with the provisions of the Purchaser’s proposal.

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Bill No. 4 was introduced and will be considered on final reading at the City Council meeting of December 14, 2020, on motion of Mr. Bost, seconded by Mr. Miller.

Mayor Capello explained that the TRAN helps with the cash flow, if needed. She reported that so far, the City did not need to use the TRAN. She added that early in her term, there was one year that we came close to needing to drawdown from the TRAN at the end of the year.

Yeas--Mr. Bost, Mr. Miller, Mr. Morales, Mr. Wertz, and Mr. Carey, Chairperson--5; nays--none.

Mr. Miller introduced Bill No. 5, the title of which is as follows:

AN ORDINANCE OF LEBANON CITY, LEBANON COUNTY, COMMONWEALTH OF PENNSYLVANIA, ELECTING TO AMEND ITS NON-UNIFORM PENSION PLAN ADMINISTERED BY THE PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM PURSUANT TO ARTICLE IV OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW; AGREEING TO BE BOUND BY ALL PROVISIONS OF THE PENNSYLVANIA MUNICIPAL RETIREMENT LAW AS AMENDED AND AS APPLICABLE TO MEMBER MUNICIPALITIES.

Be It Ordained by the Council of the City of Lebanon, Pennsylvania, and it is hereby ordained by the authority of the same, That:

SECTION 1. Lebanon City (the City), having established a non-uniform pension plan administered by the Pennsylvania Municipal Retirement System (the System), hereby elects to amend its Non-Uniform Pension Plan administered by the System in accordance with Article IV of the Pennsylvania Municipal Retirement Law, 53 P.S. §881.101 et seq. (Retirement Law), and does hereby agree to be bound by all the requirements and provisions of the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act, 53 P.S. §895.101 et seq., and to assume all obligations, financial and otherwise, placed upon member municipalities.

SECTION 2. As part of this Ordinance, the City agrees that the System shall administer and provide the benefits set forth in the amended Non-Uniform Pension Plan Document entered into between the Pennsylvania Municipal Retirement Board and the City effective as of the date specified in the adoption agreement (the Contract).

SECTION 3. The City acknowledges that by passage and adoption of this Ordinance, the City officially accepts the Contract and the financial obligations resulting from the administration of the Contract.

SECTION 4. Payment for any obligation established by the adoption of this Ordinance and the Contract shall be made by the City in accordance with the Retirement Law and the Municipal Pension Plan Funding Standard and Recovery Act. The City hereby assumes all liability for any unfundedness created due to the benefit structure set forth in the Contract.

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SECTION 5. The City intends this Ordinance to be the complete authorization of the Contract, as amended and it shall become effective as of the date specified in the adoption agreement, which is the effective date of the Contract, as amended.

SECTION 6. A duly certified copy of this Ordinance and an executed Contract shall be filed with the System.

Bill No. 5 was introduced and will be considered on final reading at the City Council meeting of December 14, 2020, on motion of Mr. Miller, seconded by Mr. Morales.

Mayor Capello reported that non-union and non-uniformed (management and AFSCME) employees are members of PMRS. She added that the ordinance is placing the plan into IRS formatting and there are no material changes to the plan.

Yeas--Mr. Bost, Mr. Miller, Mr. Morales, Mr. Wertz, and Mr. Carey, Chairperson--5; nays--none.

Mayor Capello reported that due to the Governor's latest changes to mitigation mandates, the Community Conversation scheduled for November 30, 2020, will be held virtually. She stated that she is committed to holding the conversation and wants to engage the community and hear their voices.

Fire Commissioner Duane Trautman announced that the Keep the Wreath Red Campaign will begin at 6:00 p.m. on November 26 and continue through 6:00 p.m. on New Year's Day. The wreaths will be hung at the four fire stations, Domino's Pizza, Mel's Diner, the Lebanon Farmers Market, and the Fire Commissioner's residence on South Eighth Street.

Mayor Capello reported that residential fires are more costly and deadly during the holiday season. She reminded residents to not leave the stove unattended. She suggested that if you must walk away from the stove, take an oven mit with you as a reminder the stove is on. In addition, people light more candles during the holiday season. She reminded residents to make sure Christmas trees are watered to minimize from drying out and to check holiday lights to make sure there are no shortages.

Regarding COVID, Mayor Capello reported that with the additional mitigation efforts, City offices will continue to be open to the public by appointment only. She encouraged folks to do business by phone, email, or use of the drop box. She stressed that staff will accept appointments, but she would like to minimize contact.

Chairperson Carey thanked the Community of Lebanon Association for organizing the virtual holiday parade. He also extended a thank you to those responsible for stringing the lights and decorating in the downtown.

The meeting was adjourned at 7:03 p.m.

CHERYL J. GIBSON, Clerk