

**WARREN CITY COUNCIL
SPECIAL MEETING
JANUARY 31, 2022 – 7:00 PM**

OPENING OF MEETING

Mayor Wortman presided over the January 31, 2022, special meeting of Warren City Council in Council Chambers of the Municipal Building and opened the meeting with the Pledge of Allegiance.

EXECUTIVE SESSION

Mayor Wortman announced that Council met in executive session immediately prior to this meeting; the possible acquisition of real property was discussed.

ROLL CALL

Members present and responding to roll call were: Mayor David Wortman, Maurice Cashman, Philip Gilbert, Joe Michaels, Jared Villella, and John Wortman. Wendy McCain was absent. Members of City Staff present were Nancy Freenock, City Manager (via Zoom); Jessicca Byler, Acting Finance Officer; Michael Holtz, DPW Director; Teena Leary, Assistant City Clerk; Randall Rossey, Codes and Planning Director; and Andrea Stapleford, City Solicitor.

APPROVAL OF THE AGENDA

Upon motion by Mr. Cashman and second by Mr. Villella, Council members present voted unanimously to approve the agenda as presented.

RECOGNITION OF VISITORS

Mayor Wortman welcomed all visitors. Present were:

- Jane Dunshie (via Zoom): Observing
- Andy Close: YourDailyLocal Reporter
- Josh Cotton: Times Observer Reporter

ACQUISITION AND/OR EASEMENT FOR LAND BEHIND HIY, INC. BUILDING

Mayor Wortman opened the floor for discussion regarding the acquisition and/or development of a permanent easement for land located between the HIY, Inc. Building and the Allegheny Riverfront. It was noted that the GeoThermal Well System Pump building is located in this area and that portion of the property would need to be subdivided should the City take ownership of the remainder of the property. Mr. J. Wortman read prepared comments submitted by Ms. McCain (absent).

During discussion, members expressed concern regarding the potential financial implications of tying the acquisition of properties to the sub-granting of Redevelopment Assistance Capital Project (RACP) funding to Robert Yoder (to be used for upgrades to the GeoThermal Well System). Members also noted the existence of a mortgage on properties held by Mr. Yoder and questioned whether such would prevent the City from taking clear title to the subject property(s). Mayor Wortman stated that it would be preferential to address the property matters and the request for grant funding as two separate matters.

Mr. J. Wortman made the motion to direct City staff to attempt to acquire title and/or an easement to land located behind the HIY, Inc. building and an easement for GeoThermal System (*if the land is transferred to the City*) with the terms of said agreement to be brought back to Council for review. The motion was seconded by Mr. Cashman and carried with six votes in the affirmative (one absent).

GEOTHERMAL WELL SYSTEM REQUEST FOR RACP ALLOCATION

Mayor Wortman stated that there are many opportunities for Allegheny Riverfront development. He noted the need to be mindful of Council's fiduciary responsibility to be a good steward of funding awarded to the City and expressed his concerns regarding the award of grant funds in exchange for property as requested by Robert Yoder. Mr. J. Wortman read prepared comments submitted by Ms. McCain (absent).

Mr. Cashman stated his concern that rates for subscribers to the GeoThermal Well System may rise if RACP funds are not sub-granted to Mr. Yoder for the purpose of upgrading the system. He noted that many of the agencies which utilize water, heating, and cooling from the GeoThermal system have budget constraints that would be negatively impacted by a rate increase.

Mr. J. Wortman made the motion to indefinitely table discussion regarding the allocation of Redevelopment Assistance Capital Project funding for the GeoThermal Well System Project as requested by Robert Yoder. The motion was seconded by Mr. Michaels and carried with five votes in the affirmative, one nay vote cast by Mr. Gilbert, and one absent.

AUTHORIZATION TO PROCEED WITH LOAN FINANCING

Mrs. Byler stated that the City currently has two outstanding loans with Key Bank which originated in 2010 (one for prior parking garage repairs and the other for Streetscape); bear an interest rate of 4.75%; and are scheduled to mature in 2025. As of December 31, 2021, the combined outstanding principal balance for the two loans is \$831,386. Payments are made quarterly in the amount of \$60,835 (\$243,340 annually); the most recent being on January 31, 2022. The current principal balance is approximately \$780,424. Mrs. Byler noted that current low interest rates are projected to rise in 2022; therefore, it was suggested that the City take out a new loan to pay off the two existing loans and that additional monies be borrowed to assist with repair of the Clark Street Parking Garage.

City staff contacted KeyBank, Northwest Bank, and ErieBank to discuss the potential of borrowing funds for this purpose. Official proposals were not received from Northwest Bank or Erie Bank; however, it was Staff's understanding from discussions that their interest rate would be 3% or above on such a loan. The City received a proposal from Key Bank which provides for a 2.37% interest rate.

City staff recommended borrowing \$3.6 million from KeyBank under which annual payments would be at \$285,885. Loan proceeds would be utilized to pay off the two existing loans and allow approximately \$2.8 million to be used for Clark Street Parking Garage repairs. In order to lock in the 2.37% interest rate, KeyBank required a signed acceptance by February 2, 2022.

Mr. Cashman made the motion to enter into a \$3.6 million loan with KeyBank which will refinance existing loans as well as borrowing for the Clark Street Parking Garage rehabilitation. The motion was seconded by Mr. J. Wortman and carried with five votes in the affirmative, one nay vote cast by Mayor Wortman, and one absent.

ADJOURNMENT

There being no further business to come before Council, and upon motion by Mr. Cashman with a second by Mr. Villella, Mayor Wortman declared the meeting adjourned.