

Refinancing could be big saver for borough

By Robert F. O'Neill
SPECIAL TO THE INQUIRER

The Media Borough Council will meet in special session Tuesday to refinance about \$22 million borrowed over the last six years for water company, sewer and parking projects.

At the same time the council is expected to approve the borrowing of an additional \$3.2 million for similar capital improvements, bringing the total loan to more than \$25 million over 30 years.

Borough officials estimated that they can save \$638,000 in interest payments by refloating the loans while interest rates are their lowest in 17 years. Councilman Robert McMahon said he expected to get a rate of about 6.4 percent on money now costing the borough 7.5 and 7.78 percent.

More than one half of the debt, \$13.5 million, was incurred in 1987 to upgrade and expand the borough-owned Media Water Co. treatment plant at Baltimore Pike and Ridley Creek. Another \$5.7 million was borrowed to build the Olive Street municipal parking garage and to improve the sewer plant.

McMahon, who is chairman of finance, said the total debt, including the added borrowing, breaks down into \$19,750,000 for water company projects, and \$5,675,000 for sewers and parking.

He said the \$3.2 million loan would include \$2.8 million for work related to the construction and refurbishing

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of the Monroe Street water main and \$450,000 for sewer system improvements.

The council revealed plans for the refinancing at its monthly meeting last Thursday. In other business at the same meeting, Mayor Frank Daly announced his resignation to seek the Democratic nomination for U.S. Congress, and President Joan Hayes defended the appointment of a new borough solicitor and engineer.

Media attorney William Lando was replaced as solicitor by Wally O'Brien, and Edward Korab was replaced as borough engineer by F. Clark Walton. Both changes occurred at the council's Jan. 6 reorganization meeting.

Councilman William Tyson, a Republican, charged Thursday that both appointments were made by the Democrat-controlled council "for purely political purposes." Tyson noted that O'Brien worked as an attorney out of Daly's law office, and Walton was "affiliated" with the Democratic party.

Both the solicitor and engineer are paid on a fee basis. Last year the borough paid around \$50,000 in solicitor's fees. No information was available on the cost of engineering services.