

**MINUTES OF SPRING GROVE BOROUGH  
COUNCIL MEETING  
July 14, 2020**

The Spring Grove Borough Council met electronically via Zoom in Regular Session on Tuesday, July 14, 2020. President James D. Graham called the meeting to order at 7:00 PM.

**BOROUGH COUNCIL PRESENT**

James D. Graham  
Peter A. Lombardi  
Rebecca J. Stauffer  
Larry McConnell  
Vincent Catalano  
David B. Kile  
Joshua D. Moore

**ALSO PRESENT:**

Beverly Hilt, Mayor  
Andrew N. Shaffer, Borough Manager  
Velda Frey, Adm. Assist/Recording Secty  
Matt Warfel, (ARRO Inc.)  
Peter Ruth, Solicitor  
David Lash, Chief of Police, NYCRPD  
Robert Whyland, SWRPD Chairman

**BOROUGH COUNCIL ABSENT:**

None

**ALSO ABSENT:**

None

**Public Comment / Visitors**

None

**Approval of Minutes**

**June 2020**

The Minutes of the Regular Council Meeting held June 1, 2020 were presented to Council for their review. Larry McConnell made a motion, seconded by Peter A. Lombardi, to approve the minutes for June as presented. Motion carried unanimously.

**Treasurer's Report- May 2020 – Expenses Totaling \$144,830.20 and June 2020 – Expenses Totaling \$291,527.68**

Rebecca J. Stauffer made a motion, seconded by Joshua D. Moore to approve the Treasurer's Report for May 2020 as presented. Motion carried unanimously.

Rebecca J. Stauffer made a motion, seconded by David B. Kile to approve the Treasurer's Report for June 2020 as presented. Larry McConnell and Rebecca J. Stauffer had questions that were answered to their satisfaction by Manager Shaffer. Motion carried unanimously.

**President's Report**

President Graham expressed his appreciation to the Borough staff for continuing to work during the challenges of COVID-19, and to Mayor Hilt and SWRPD Board Chairman Robert Whyland for all the work they have done in dealing with the disbanding of the SWRPD. He encouraged everyone to contact their Federal Representatives and

Senators and request financial help for local governments. Rebecca J. Stauffer asked if the Borough has applied for any COVID-19 funding. Manager Shaffer replied no, the Borough has only had minor expenses within the office so far. He will apply if we incur enough expense to qualify for available funding.

### **Mayor's Report**

#### Parking Enforcement Officer's Report – June 2020

There wasn't a Parking Enforcement Officer's Report for June 2020.

#### SWRPD Updates

Information pertaining to the transfer of the SWRPD Uniform Pension to Northern York County Regional Police (NYCRPD) was presented to Council for their review. An Intergovernmental Cooperation Agreement (ICA) between SWRPD, NYCRPD and the four (4) municipalities that comprised SWRPD and a Resolution needs to be considered for approval by Council. These documents have been reviewed by Solicitor Peter Ruth. The SWRPD Police Association needs to sign off on "Exhibit 9"; a letter stating they will not file a lawsuit or grievance in contest of the transfer. NYCRPD will take possession of the police headquarters located at 6115 Thoman Dr., Spring Grove, PA for \$1.00; they will take responsibility for any pension liabilities for the next twenty (20) years, with a maximum financial contribution of \$400,000. Anything above that amount will be split among the four municipalities at their budget percentage. After twenty years NYCRPD will have complete responsibility for any pension liability. Once all parties have signed the ICA it will be submitted to the courts for approval and the State Auditor General will have to sign off on it during the next pension audit (three years). Solicitor Ruth explained that all the pension funds excluding those for the three (3) officers working for York Area Regional (YARPD) would be transferred to the NYCRPD Uniform Pension as a separate "tier". The remaining funds (a little over \$400,000) would be transferred to YARPD; a separate agreement addresses this transaction. If the ICA is rejected by the courts or the Auditor General, NYCRPD will be responsible for having the funds transferred back to SWRPD. NYCRPD would then pay \$400,000 to the municipalities for the building, less anything they contributed to the pension. Chief Lash stated that Heidelberg Township voted and approved the ICA last week. He provided Manager Shaffer with seven (7) copies for signature; this will provide an original copy for each party when all have signed. Robert Whyland stated he is in full support of this document and thanked Chief Lash for all of his assistance. Solicitor Ruth stated \$470,188 plus the years of service credit for each officer will be transferred to YARPD Uniform Pension. There are a couple things that need to be ironed out in that agreement. Robert Whyland stated that the SWRPD Board will be discussing the transfer of the years of service credit to YARPD at their meeting tomorrow night. They need to discuss with their pension attorney if Act 600 allows the transfer of the years of service credit. Mayor Hilt stated that numerous attorneys have reviewed these documents and approved them. The Police Board's goal is to have all the parties approve and sign them by July 31<sup>st</sup> so it can be submitted to the courts for approval. Manager Shaffer questioned whether the transfer of years of service will increase the pension liability for YARPD. Chief Lash explained that the actuary, Conrad Siegel, calculated the \$470,188 as the value of what the officers have accumulated in the SWRPD Uniform Pension. They need to determine if this amount

buys them the equal amount of time in the YARPD Uniform Pension. Robert Whyland stated that one of the differences between the plans is SWRPD allows retirement at age 55 with 25 years of service and YARPD allows retirement at age 50 with 25 years of service. This difference needs to be calculated. Solicitor Ruth stated that Paragraph 8 of the proposed Agreement with YARPD addresses the difference with the years of service credited (\$830,496) and states YARPD would be responsible for the difference. There was some concern expressed by David B. Kile regarding signing an agreement that still has some items that need to be finalized. Solicitor Ruth stated that the liability to the Borough will not change regardless of what the final decision is on this item.

Mayor Hilt explained that the alternative to transferring the pension to NYCRPD and YARPD is to buy annuities for the officers. The cost to SGB alone would be \$300,000. North Codorus Township has stated they will not go along with this plan, so the remaining three municipalities would be forced to sue NCT for their portion. NCT has also stated they will cooperate with their share of the Impact Bargaining if we go ahead with this pension transfer.

#### Meetings Attended

Mayor Hilt stated she attended the May meeting of YARPD. She also spoke with a representative with "ArchiveSocial", a company that archives social media items. After speaking with him she did not see any reason to use this service, Manager Shaffer agreed, stating our liability insurance would cover any issues that could arise with the Borough's social media.

Mayor Hilt stated she was contacted by Brad Roseberry of the Coalition Against Bigger Trucks. They are working to prevent laws allowing the weight and length being increased on trucks, tandem trucks in particular. She is in support of this, as these trucks already tear up the roads and do not need to increase in size.

Solicitor Ruth recommended Council should take action on the ICA and Resolution with NYCRPD tonight and wait to take action on the ICA and Resolution with YARPD.

Motion was made by Peter A. Lombardi, seconded by Larry McConnell to approve the Resolution as presented to enter into an Intergovernmental Cooperative Agreement with NYCRPD approving the transfer of pension assets and liabilities of the SWRPD Pension Plan and approving the terms of the Agreement of Sale for real estate owned by SWRPD. A roll call vote was taken as follows: James D. Graham-Aye; Peter A. Lombardi-Aye; Rebecca J. Stauffer-Aye; Larry McConnell-Aye; Vincent Catalano-Aye; David B. Kile-Nay; Joshua D. Moore-Aye. Motion passed 6:1.

Motion was made by Peter A. Lombardi, seconded by Rebecca A. Stauffer to approve the Resolution as presented to authorize a designated representative of Spring Grove Borough to enter into an Intergovernmental Cooperative Agreement with YARPD transferring pension service credit and pension fund assets from the SWRPD Pension Plan to the YARPD on behalf of three (3) officers formerly employed by the SWRPD who are now employed by the YARPD, and to effectuate such transfers. A roll call vote was taken as follows: James D. Graham-Aye; Peter A. Lombardi-Aye; Rebecca J. Stauffer-

Aye; Larry McConnell-Aye; Vincent Catalano-Nay; David B. Kile-Nay; Joshua D. Moore-Nay. Motion passed 4:3.

Robert Whyland and Chief Lash thanked everyone and left the meeting at this time.

#### YARPD Financial Report

The YARPD Financial Report for May 2020 was presented to Council for their review.

#### YARPD Board Minutes

The Minutes of the YARPD Board for the month of May 2020 was presented to Council for their review.

#### YARPD Activity Report.

The YARPD Activity Report for May 2020 was presented to Council for their review.

### **Manager**

#### Manager Notes

Manager Shaffer presented his monthly activity report for June to Council for their review.

The following items were discussed/commented upon:

- Main Street Improvements – The contractor is hoping to break ground next Monday.
- Smoke In the Grove – We are going ahead with the competition but cancelling the public festival. There will be food trucks in Thoman Field. A total of 93 KCBS teams have signed up to compete; about 40 SCA (steak) teams competing Friday night, and about a dozen chili teams competing on Saturday. CDC guidelines will be followed. Everyone has to wear a mask and gloves; the judges have three (3) 8' tables for every one (1) used previously in order to facilitate proper social distancing. Teams are aware of all the rules and know they will be disqualified if they do not follow them.

#### General Obligation Bond Rating Update

S&P performs this assessment every couple of years. They call us and get updated information regarding the Borough's operations. The Borough went from an "A Stable/Positive Outlook" rating to an "A with a Negative Outlook". This decline in rating is due to the following factors:

- The uncertainty of how COVID-19 will affect the budget.
- Glatfelter being acquired by a private investment firm - a small borough equals high exposure with the highest taxpayers.
- Real Estate Tax appeal.

There are some things that will be done in-house to improve the Borough's bond rating. Three documents will need to be put in place:

- Debt Management Policy – a policy of how the Borough will issue debt; what the limits are and how it will be funded.
- Fund Balance Policy – showing what fund balances will be held in those accounts.
- Investment Policy – showing the Borough is following all Borough Code and State guidelines regarding where the funds are placed.

The plan is to have these documents ready for Council review in the next couple of months.

Manager Shaffer has spoken with our representative from RBC Capital regarding the 2015 Bond Issue to explore refinancing options. The first "call date" for the first set of bonds is May 15, 2021. We can refinance with settlement 90 days prior to that date, which would be February 2021. We are currently paying between 2 - 4% interest on our outstanding debts; as of today, there was a \$16 million dollar bond issued to a nearby municipality at a fixed rate of 0.89%. The Borough would realize significant savings by refinancing the 2015 Bond and any other existing debt and should start exploring doing so in October. This could have a positive impact on the 2021 budget, especially if we choose to take the savings up front. About 90% of this bond is paid out of the sewer fund, so most of the savings would be realized in the sewer fund, not the general fund. It is frustrating that the S&P bond rating is based on the general fund when the bond was issued on the sewer fund, which generates guaranteed income.

#### Bus Lot Lease

Manager Shaffer reported the lease on the bus lot is up for renewal in August 2021. The Borough leases this lot to Poly Equities, who subleases to whomever gets the transportation contract for the Spring Grove School District. Council needs to begin considering what type of renewal they want, or if they want to renew at all. Manager Shaffer thinks it would be wise for Council to consider not leasing the lot and retaining full ownership. There are some improvements on the property and Poly Equities would have the right to take the building with them, but it would be more practical for the Borough to buy it from them. The Borough could also lease the lot to a different entity. The present lease is just under \$1700 a month, with an annual increase of 3%. John Poly thinks this is a little high, but Manager Shaffer believes it is reasonable for prime commercial property. There are other area non-profit businesses that would be interested in renting space in the buildings. After discussing the different possibilities, Peter A. Lombardi and Vincent Catalano volunteered to assist Manager Shaffer in exploring the possible uses of this lot.

#### Mid-Year Financial Report

The mid-year financial report was submitted to Council for their review. Council did not have any comments or questions.

#### Computer & Server Replacement Proposal

Manager Shaffer reported that three (3) of the computers are currently running an outdated version of Windows, and it has been over five (5) years since the server was replaced and is two (2) series behind on the Windows Server software. He received a quote from Quality to replace all the computers, to include the public works and the server. One of the computers belongs to JCJSA and they would reimburse the Borough for it. We could split the purchase up, perhaps replacing the computers now and the server next year. The quote was in-line with what the Borough paid six (6) years ago to replace all the computers and server. Larry McConnell asked if additional quotes would be obtained; yes, another company is coming in the week of July 27<sup>th</sup> to price the system out.

**ARRO Engineering**Main Street Improvements

Engineer Warfel reported to Council that they are ready to start working on this next week. It will be a short week due to the need to not interfere with Smoke In The Grove. They are continuing to discuss the division of the cost of this project with PennDOT.

Hamlet Drive Stormwater Project

Engineer Warfel reported to Council that they met with the contractor on July 7<sup>th</sup> and are planning to begin this project the end of July.

Stormwater/ MS4

Engineer Warfel reported to Council that they are continuing work on the annual report for 2020/21. They have taken action on five (5) of the six (6) Minimum Control Measures (MCM's).

Glenview Road and SR 116

Engineer Warfel reported to Council that they continue to work with PennDOT to see if this project qualifies for an ARLE grant. They received notification from one of the grant managers that they anticipate funding will be awarded sometime in August, but they need a Resolution from the Borough. Resolution 5-2020 was submitted to Council for their consideration. Said Resolution states the Borough is seeking up to \$974,666.60 from PennDOT through ARLE for improvements at the intersection of SR 116 and Glenview/Sprenkle Roads. Motion was made by Larry McConnell, seconded by Rebecca J. Stauffer to adopt Resolution 5-2020 as presented. Motion carried unanimously.

Strategic Management Planning Program

Engineer Warfel reported to Council that a formal Resolution needs to be adopted by Council to secure grant funds from the DCED for this project. Resolution 6-2020 was submitted to Council for their consideration. Motion was made by Larry McConnel, seconded by Joshua D. Moore to adopt Resolution 6-2020 as presented. Motion carried unanimously.

Wastewater Treatment Plant

Engineer Warfel reported to Council that they continue working with Manager Shaffer and the new WWTP Operator regarding sludge management. They are assisting in addressing increasing phosphorous levels. The required twelve months of flow data requested by DEP for the Chapter 94 Report from 2018 that resulted in a cap being put on sewer hook-ups has been compiled and will be sent by the end of the month. ARRO anticipates this restriction will be lifted since the flow issues have all been corrected.

GIS Services

Engineer Warfel updated Council on GIS services being provided by ARRO.

### Community Park – Phase 3

Engineer Warfel updated Council on the Community Park-Phase 3 Project. They have submitted the Erosion Control Plan which is required for construction to the Conservation District.

### Code Enforcement Services

Engineer Warfel updated Council on the Code Enforcement Services provided in June. Council did not have any questions or comments.

## **Solicitor's Report**

### LERTA Draft Ordinance

Solicitor Ruth presented a draft of the LERTA Ordinance to Council for their consideration. This is for the sale of the Community Center. The Local Economic Revitalization Tax Assistance Act basically provides a tax credit to developers that buy deteriorated properties in areas designated by the Borough. The buyer would continue to pay taxes on the assessed value of the property but would get a break on the assessed value of any improvements. The assessed values are determined by York County. The first year they would pay no tax on improvements, the second year they would pay tax on 10% of improvements, and each subsequent year the percentage increases by 10% so in year eleven they would be paying taxes on 100% of the value of the improvements. The school district and York County will also have to pass a LERTA Ordinance for this property. For planning purposes, they usually use the maximum of ten (10) year term as allowed by the Act. He is requesting Council approve this ordinance for advertising. After discussion Council decided to table this until the August meeting and requested Solicitor Ruth to reach out to the school district to see what their thought are on the ten (10) year term.

### SWRPD Pension Documents

Uniform Pension Transfer Agreements were submitted to Council for their review and addressed earlier in the meeting under "SWRPD Updates".

## **Zoning & Code Enforcement**

### Zoning Report-June 2020

The Zoning Officer's Report for June 2020 was presented to Borough Council for their review.

### Code Enforcement Report-June 2020

The Code Enforcement Activity Report for June 2020 was presented to Council for their review.

## **Recreation**

### Spring Grove Regional Parks & Recreation Center Meeting Minutes –May 2020

The Minutes of the Spring Grove Regional Parks and Recreation Meeting for the month of May was presented to Council for their review.

Spring Grove Regional Parks and Recreation Center Financial Report – May 2020

The Financial Report for the Spring Grove Regional Parks and Recreation Center for the month of May was presented to Council for their review.

Spring Grove Regional Parks and Recreation Center – Resident Vacancy

President Graham reported they will be meeting on the 21<sup>st</sup>. They have shut down the daycare due to a lack of people signing up for it. The government continues to extend the deadline for spending the loan they received.

**Committee Reports**

Rebecca J. Stauffer reported they will begin compiling budget numbers at the end of the month.

**Unfinished Business**

Mayor Hilt reported that the SWRPD Board is still working on impact bargaining. The results of the Zoning Hearing for the property on Water Street resulted in it being tabled due to the applicant not having all the required paperwork.

**New Business**

None

**Correspondence**PSAB Pension Plan Statement – Month Ending May 2020

The PSAB Pension Plan Statement for the month of May 2020 was presented to Council for their review.

Council adjourned at 9:18 PM. The next Council meeting will be held Monday, August 3rd at 7:00 PM via Zoom.

Respectfully Submitted,

***Velda Frey***

Recording Secretary