

**SPRINGETTSBURY TOWNSHIP
WORK SESSION – CAPITAL FINANCING**

**MARCH 2, 2021
APPROVED**

The Springettsbury Township Board of Supervisors held a Work Session on Tuesday, March 2, 2021 at 6:00 p.m. at the offices of Springettsbury Township located at 1501 Mt. Zion Road, York, PA in person and by Zoom technology.

MEMBERS IN

ATTENDANCE: Mark Swomley, Chairman
George Dvoryak, Vice Chairman
Charles Wurster, Assistant Secretary/Treasurer
Don Bishop
Robert Cox

ALSO IN

ATTENDANCE: Mark Hodgkinson, Township Manager
Charles Rausch, Solicitor
Teresa Hummel, Finance Director
Todd King, Police Chief
Christopher Gibbons, Concord Public Financial Advisors, Inc.
Jennifer Caron, Esq., Eckert Seamans Cherin & Mellott, LLC
Jean Abrecht, Stenographer

1. CALL TO ORDER

HODGKINSON Mark Hodgkinson called the meeting to order. He noted that he had been working over the past few weeks with Finance Director Terry Hummel and Chris Gibbons of Concord Public Finance and Jennifer Caron, Esq. to formalize a plan for Bank Note or the Bond financing.

2. NEW BUSINESS

A. Capital Financing – Christopher Gibbons, Concord Public Financial Advisors, Inc. and Jennifer Caron, Esq., Eckert Seamans Cherin & Mellot, LLC

HUMMEL Ms. Hummel reported that the purpose of the meeting was to discuss financing for the capital projects moving forward. There are two major projects: the Admin/Police building construction and Davies Drive included in this financing. An RFP was sent out to the banks on February 12th with a deadline to respond on February 26th. She noted that Chris Gibbons of Concord Public Financial Advisors was present to review those results and look at the options both with a Bank Note or Bond Financing. Jennifer Caron from Eckert Seamans was also present to answer any legal questions.

GIBBONS Mr. Gibbons stated that interest rates had increased about a third of a percent since the last time he met with the board even though the rate remains very close to an all-time low. He added that the bank loan or bond issue financing is on pace to coordinate with the construction contracts for these projects. He discussed the RFP that was issued to 34 different banks, and there had been three proposals returned from two different banks. The best proposal received was from Capital

One Public Funding at 3.14%, and for the 30-year term a proposal had been received from York Traditions Bank with a fixed rate of 2.95%, variable thereafter with interest rate caps of .5% from year 8 through 20, and an interest rate cap of 6.5% from year '21 through '30. The proposals were appreciated. A comparison then comes of what is in the Bond Market where there was a significant difference between the Bank Loan and the Bond Market for both the 20 and 30-year term. He noted that Bank Loan Market is not as advantageous given current market conditions that are available in the Bond Market, even after taking into account additional issuance expenses and costs to go to the Bond Market. He noted a significant difference with the Bond Market over a 20 or 30-year term; also in the comparison of the Bank Loan and Bond Market Proposal for Debt Service Alternatives.

SWOMLEY Chairman Swomley asked Ms. Hummel for her opinion on managing the payments over 2021, 2022.

HUMMEL Ms. Hummel responded that having a lower payment would be more easily managed in the budget. With a longer term there is an option to refinance with a shorter term in the future. In 2021 there is money built into the budget to cover both the interest and payment that would be due. In 2022 the projections that were done could handle both payments of about \$700,000. In year 2023 will be when the need comes to evaluate how much to add to the budget.

Discussions took place including Bank or Bond financing, 20 to 30-year term, interest rates, potential grant opportunities for Davies Drive, and tax rate millage.

Consensus of the Board was to pursue the Bond Financing. Mr. Gibbons will be working on refining the numbers to present to the Board on March 25, 2021.

STRATEGIC PLANNING DISCUSSION

SWOMLEY Chairman Swomley introduced the Strategic Planning portion of the meeting. He noted that Mr. Wurster had provided a document of the eight pillars for discussion.

WURSTER Mr. Wurster indicated that his list was not a final document, but pieces through which the board would need to work.

SWOMLEY Chairman Swomley expressed his appreciation to Mr. Wurster for putting the document together.

The board discussed a number of possibilities to begin working through the Strategic Planning for board level direction. A summary of main points follows:

Initially determine the end result goals, potential outcomes

- Transportation System Improvements; initiate Staff development and implementation
- Review of Zoning Ordinances to maximize opportunity for development.
- Environmental Stewardship
- Parks and Recreation; amenities
- Commitment to Community/Economic Development

SWOMLEY Chairman Swomley requested that Microsoft Office Teams software be used for the series of meetings. He indicated it would be helpful to navigate the subjects. He asked Mr. Hodgkinson to set it up with Netrepid.

WURSTER Mr. Wurster suggested that the next session be focused on the Transportation item and he requested that Mr. Hodgkinson provide the Transportation Study 21 points to all the board members for the first session.

Consensus of the board was to conduct Strategic Planning Sessions on the following dates at 6:00 p.m. with a two-hour timeframe: Wednesday, March 17, Wednesday, March 24, Tuesday, March 30 and Tuesday April 6.

HODGKINSON Mr. Hodgkinson brought forward several additional items that will require meetings prior to the Regular Meeting:

- Thursday, March 11th at 6:00 p.m.– Executive Session for a Collective Bargaining discussion;
- Thursday, March 11th at 6:30 p.m. for a LERTA discussion for 41 East Market Street;
- Thursday, March 25th at 6:00 p.m. for a Conditional Use Hearing for the Medical Marijuana Facility, which meeting will take at least one hour.

RCAP Grant Funding

HODGKINSON Mr. Hodgkinson brought forward the matter of the RCAP Grant for the construction of the Admin/Police building construction. He had been working with Griffin Stevens and Lee, a consultant for grants. They advised him that the township has a very strong application for the parts of the construction that would happen in the fall and beyond the fall. He asked the board whether they had any reservations against entering an agreement with them to go forward with this grant. They did submit the grant application, and there was no risk to the Township for them to do so. He added that yesterday, March 1st was the opening for this grant session.

SWOMLEY Chairman Swomley stated he had discussed this grant possibility with Mr. Hodgkinson. He advised to move forward with submitting the application as there was no commitment from the board. Chairman Swomley asked whether the board would be in favor of entering into an agreement with them. They would take their percentage upon successful award of a grant. There did not seem to be

any downside in letting them proceed with the application. The upside would be a decision to retain them and pay them if the grant is successful.

HODGKINSON Mr. Hodgkinson stated that if the board is interested he would provide the agreement for their review for the next board meeting. In addition, he would have Solicitor Rausch review it.

WURSTER Mr. Wurster stated that there had been some concerns with the original Engagement Agreement between the township and this consulting firm. There were several key items. The board wanted to be sure there was a responsible cap on daily expenses, and there was discussion on their activity. Both need to be addressed.

HODGKINSON Mr. Hodgkinson indicated that one was indemnification, but that was removed.

WURSTER Mr. Wurster noted that he had received an automated text message from Representative Stan Saylor and some other leaders of the House with regard to the fact that RCAP Applications were open as of yesterday (March 1st). He had a conversation with Kevin Echo of Representative Saylor's office requesting that the township have a meeting just to understand what is needed and how successful the township could be with regard to this RCAP. He had discussed this also with Chairman Swomley today independent of Mr. Hodgkinson's interaction with the consultant. He added that it makes perfect sense to pursue both tracts to see how successful it could be in terms of getting the RCAP Financing for the Police Station Project.

Consensus of the board was agreement to pursue the RCAP Grant for the Police Station financing. In addition, to conduct a review of the consultant agreement.

Pilgrim Wire Tour

SWOMLEY Chairman Swomley reported that the board was invited to visit Pilgrim Wire for a tour. If any board members want to participate let him know. He knows Frank Iati, their CEO, who he had contacted Chairman Swomley.

Several board members indicated interest depending upon their work schedules and they will coordinate with Chairman Swomley.

Frances Courtright

SWOMLEY Chairman Swomley reported that Fran Courtright had passed away. She had been heavily involved in Thank Blue York, and of course, Nefra Printing on East Market Street. He suggested that someone reach out to Chief King to see if the Police Department is planning to do something as they were heavily involved

with supporting the police. He noted that the notice had read “in lieu of flowers, donations to Thank Blue York.”

3. PUBLIC COMMENT

There were no public comments.

4. ADJOURNMENT

SWOMLEY Chairman Swomley adjourned the meeting at 7:06 p.m.

Respectfully submitted,

Doreen K. Bowders
Secretary

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