

APPROVED

**SPRINGETTSBURY TOWNSHIP
BOARD OF SUPERVISORS
WORK SESSION
MARCH 5, 2020**

MEMBERS IN

ATTENDANCE: Mark Swomley, Chairman
Don Bishop
Bob Cox

NOT PRESENT: Charles Wurster
George Dvoryak

ALSO IN

ATTENDANCE: Ben Marchant, Township Manager
Chris Gibbons, Concord Public Finance
Dennis Crabill, Buchart-Horn
Dori Bowders, Manager of Administrative Operations
Teresa Hummel, Director of Finance
Mark Hodgkinson, Director of Wastewater Treatment Plant
Jessica Fieldhouse, Community Development Director
Todd King, Chief of Police
Andy Hinkle, Manager of Information Systems
Sue Sipe, Stenographer

Chairman Swomley called the meeting to order at 7:00 PM.

A. Review of Bond/Note Refinancing – Concord Public Finance

Ms. Hummel stated the meeting is to discuss re-financing of the sewer fund as it relates to the 2010 Bond, the 2014 note and the 2019 note.

Mr. Gibbons stated the savings reviewed in Fall 2019 have doubled, resulting in the question of how to maximize the savings, i.e., refinance as a bank loan or a bond issue. He noted the Board had authorized to move ahead with an RFP process for bank loan financing and the review is the results of the bank loan RFP with a comparison of what is available in the current market. Mr. Gibbons indicated they reviewed 37 different banks – nine of which responded with 19 proposals. He provided a summary which ranks the proposals, displaying the first 9 as fixed rate proposals for the entire term. He noted they are ranked from the lowest interest rate to the highest. The fixed/variable rate proposals shown are assuming whatever the fixed rate term the bank proposed and assumed a worst-case scenario of an interest rate cap

Mr. Gibbons noted two of the proposals to be discussed: #1 TD Bank which was the lowest all-in rate but it was an indicative rate. He noted under conditions on row #1 – change in tax law/regulations, etc., which affects return to bank which cannot be quantified. He indicated he was not able to confirm the rate with this bank at this time.

Mr. Gibbons stated the second proposal is from Webster Bank which indicates pre-payable after three years. They requested certain annual financial information which he noted will not be hard for the township to obtain.

Mr. Gibbons noted the next three pages of the provided information is a summary of the net present value savings of all costs and fees, using the TD bank proposal and the current buying market and also using the Webster Bank proposal. Ms. Hummel indicated the original bond market sheet was completed the week prior. She noted Mr. Gibbons completed another calculation after the Federal reduced the short-term rates this week.

Mr. Gibbons indicated the Present Value Savings displayed represents net savings over time and with the three issues presented is \$1.752 million. He noted the update completed yesterday reflects \$1.824 million. When compared with the TD Bank number of \$1.896 million, the Webster Bank proposal is \$1.4 million.

Mr. Gibbons noted the buying market would have a proviso that the debt could not be refinanced it for eight years, vs. Webster Bank – refinance could occur after three years. The tradeoff would be saving approximately \$375,000 more using the current bond market than the Webster bank proposal.

Chairman Swomley asked how much lower than the bond market would be owed if refinanced in the next 7-8 years. Mr. Gibbons could not predict but stated there is twice as much savings as currently. He reviewed the big picture bond noting if the savings are significant enough to give up the opportunity to refinance in the future, he would consider doing that. In this case, he felt the savings are significant enough to give up that opportunity to refinance. He noted the bond is more restrictive in terms of pre-payment.

Mr. Gibbons concurred that the bond is a better deal, but keeping in mind these proposals are valid through the meeting of April 9, 2020.

Discussion was held regarding the timeline for the refinancing. Ms. Hummel provided the original schedule created in January noting they are on schedule to make this happen with the estimated settlement date of May 15, 2020. She noted the two proposals from TD Bank and Webster Bank were reviewed by Jen and Karen. Karen will be present at the March 26 and/or April 9 meeting from the bond counsel to address this.

Mr. Gibbons indicated the next action would be the enactment of a debt ordinance on April 9. Between now and then they would complete a preliminary official statement together which is a prospectus of the township's economic and financial demographic information. They would also get a bond reading. They will offer prepared documents to take bids over the internet for the fund on April 9. Following that, they will compile all the results and put the summary together with the numbers and come to the Board of Supervisors meeting with the final net present value savings. It will then take approximately a month to allow for closing through the state.

Mr. Marchant stated the Board would need to authorize advertisement of the bond ordinance for April 9 with a presentation and discussion to be held at that time.

MR. BISHOP MOVED TO AUTHORIZE ADVERTISEMENT OF THE BOND ORDINANCE. SECONDED BY MR. COX. MOTION UNANIMOUSLY PASSED.

B. Proposed Language/Amendment to Recycling Ordinance

Mr. Marchant reviewed a memo concerning the recycling grant application. He explained this is a grant they are seeking from DEP in the amount of \$225,157.00, which is the DEP share. The Township share could be a 10% match with in kind costs being represented by the publication and postage of the quarterly newsletter, since the newsletter contains information about recycling in each issue. The funds would be used to pay for a new leaf collection vehicle, among other expenses. He noted what DEP is asking for as a condition of the application is they would like to see the township's ordinances amended to reflect a commitment to recycling at community events, i.e., the summer concert series. The recycled materials would then be sent to a recycling processor. Mr. Marchant indicated they are amenable to several changes to the ordinance. He noted DEP provided several model ordinances from other townships that were referenced for suggested language. If the Board is amenable to the changes, Mr. Marchant indicated they can prepare the amendments and bring the revised ordinances to the Board for authorization to advertise.

Discussion was held as to types of recycling receptacles would be appropriate at community events. Mr. Marchant stated there were no specific guidelines provided, only what was indicated from the other references to the model ordinances. He noted they could have bins designated for recycling to be placed throughout the park.

Consensus of the Board was to provide recycling bins at municipal events and to review proposed amendments to the ordinances as appropriate.

It was noted the last sentence of the correspondence requests to include a copy verifying advertisement of the proposed ordinances but are not required to have the ordinance approved before the grant due date of March 20.

MR. COX MOVED TO AUTHORIZE THE ADVERTISING PUBLICATION CONTINGENT ON THE BOARD'S SATISFACTION OF THE PROPOSED ORDINANCE LANGUAGE TO FACILITATE AN EXPEDITED PROCESS. MR. BISHOP SECONDED. MOTION UNANIMOUSLY PASSED.

C. Grant Opportunity

Mr. Marchant brought a grant opportunity to the attention of the Board that he and Community Development had become aware of. They have had had discussions with McMann and Chris Bowers. The grant is a PennDOT multi-modal grant which is part of the transportation set-aside bill that could fund up to \$1 million with a 20% municipal match for a multi-modal project. He noted they have in the new Transportation Master Plan a project along Mt. Zion Road between Concord and Whiteford Road, going under Rt. 30 which would address pedestrian access and multi-modal vehicles, i.e., bicycles, etc., in that corridor.

Mr. Marchant indicated they have an advantage because due to the Master Plan, they have drawings, concepts and designs already laid out, which creates a great funding opportunity for that project. He noted it does represent a commitment of up to \$200,000 if awarded the grant. However, he noted they have a 5-year Capital Improvements Plan and this amount would not be on it because the transportation plan was completed after the budget. He noted there are funds available in reserves that could fund this opportunity. He reviewed the CIP, and for 2021 and 2022 there are road projects, trucks and certain vehicles that could be postponed. Funds from the CIP have not been identified for anything else in 2020. He indicated the other revenue sources they could potentially apply to the grant is the \$214,000 allocated from Penn National for the casino which was potentially designated for a possible future light at the

intersection at the Galleria Mall entrances on Whiteford Road. Mr. Marchant stated it could be several years until the intersection meet warrants for a traffic light.

Discussion was held regarding the efficacy of the Mt. Zion and Concord Road project, noting it has been in discussion for several years.

Consensus of the Board was that applying for the grant would be a worthwhile effort.

Mr. Marchant stated they will apply for the grant. He noted the deadline for the grant is March 20, 2020.

D. Sewage Pump Issue

Mr. Hodgkinson discussed the current situation in the Wastewater Treatment Raw Sewage Project concerning the raw sewage pumps. He noted the plant does not run without these four pumps which are being replaced in this project. He noted the building closest to Codorus Creek which houses the pumps flooded during Hurricane Ivan, including the location of the pumps in the basement. Prior to the building being flooded, he made the decision to shut the plant off, pull three motors and take them to dry ground. This turned out to be a wise decision due to the subsequent flooding. The plant was off-line for less than 24 hours. Mr. Hodgkinson noted he then contacted Buchart-Horn to determine if there were pumps that could run while they are fully submerged. Buchart-Horn acknowledged there were and conducted a study to present three possible solutions. Mr. Hodgkinson stated he selected a brand name Fairbanks Morse which is the current brand of the existing sewage pumps. He stated the pumps were ordered in November 2018 and they have not yet received them. The castings for the pumps are made in a foreign country. He noted the castings came in with flaws and the U. S. manufacturer rejected the castings. New castings were again made and brought to the U.S. however they failed testings. Mr. Hodgkinson stated the contractor has not yet paid for the pumps, and he does not want to accept them because they may be defective due to the castings issue.

Mr. Crabill stated there are four manufacturers, KSB, Flight, Cornell and Vaughn, based in the United States, who were sent the drawings and they are evaluating pumps. Mr. Crabill indicated because the piping is already purchased, the new pumps will need to match the flow rate, the fit has to be adaptable, and the electrical requirements have to be the same.

Mr. Hodgkinson stated that DEP is not giving a deadline date for completion.

Chairman Swomley asked Mr. Hodgkinson to send the Board an email outlining the details of the information presented.

E. Utility Water Pump Issue

Mr. Crabill indicated the utility water pump as shown on the drawing is to be replaced. He noted it was accidentally omitted from the contractor's specifications. This was discovered during the construction phase. Buchart-Horn asked the contractor to provide evidence that it was not originally included with the bid proposal which was confirmed there were no funds for the pump. Mr. Crabill indicated the total change order for the pump installed is \$112,500.

MR. COX MOVED TO APPROVE THE FUNDS TO PURCHASE THE PUMP THAT WAS MISSING FROM THE SPECIFICATIONS. SECONDED BY MR. BISHOP. MOTION UNANIMOUSLY PASSED.

F. Public Comment

Chairman Swomley opened the floor for public comment. There were none.

G. Adjournment

CHAIRMAN SWOMLEY ADJOURNED THE MEETING AT 8:00 P.M.

Respectfully submitted,

Doreen K. Bowers
Secretary

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