

Minutes of a Meeting of the
Shippensburg Borough Council

March 3, 2009

A meeting of the Shippensburg Borough Council was called to order at 7:09 p.m. by Vice President Joe Hockersmith. Those present: Geno Torri, Kathy Coy, Belvin Banks, Mayor Bruce Hockersmith, Secretary William Wolfe, Assistant Secretary Grace Keiter and Codes Enforcement Officer Robert Weaver. Those present recited the Pledge of Allegiance.

BUSINESS

CONSIDERATION FOR APPROVAL ADOPTION OF ORDINANCE NO. 09-837, CHAPTER 95, ENTITLED, "CONSTRUCTION IN FLOODPLAIN DISTRICTS"

Borough Council discussed the proposed ordinance relative to Floodplain Districts.

Secretary William Wolfe stated that the proposed ordinance has been reviewed by the necessary parties.

Councilperson Geno Torri asked if any budget adjustments will need to be made if this ordinance is adopted.

Secretary Wolfe replied no.

Councilperson Geno Torri moved to adopt Ordinance No. 09-837. Motion seconded by Councilperson Belvin Banks. Motion carried unanimously.

CONSIDERATION FOR APPROVAL ADOPTION OR ORDINANCE NO. 09-838, CHAPTER 150, ENTITLED, "FLOODPLAIN DISTRICT" AND ADOPTING AN AMENDED ARTICLE IV, ENTITLED, "FLOODPLAIN DISTRICT"

Council reviewed a proposed ordinance also relative to the Floodplain District.

Codes Enforcement Officer Robert Weaver commented that the proposed ordinance was advertised three (3) times in a local paper and condensed versions and attested versions were filed with both county libraries and attested copies are available at The News-Chronicle and the Borough Office for public review. He

added that both the Franklin County Planning Commission and the Cumberland County Planning Commission received copies, with Cumberland County replying to adopt the proposed ordinance as submitted, and no reply from Franklin County, which is taken as an "okay".

Councilperson Geno Torri moved to adopt Ordinance No. 09-838. Motion seconded by Councilperson Kathy Coy. Motion carried unanimously.

CONSIDERATION FOR APPROVAL ADOPTION OF ORDINANCE NO. 09-839,
FOR THE BOROUGH OF SHIPPENSBURG, TO GUARANTEE WATER REVENUE
NOTES

Bond Counsel Bob Long reviewed the financing plan for the Borough Authority's proposed Roxbury Road project. He stated that the best proposal received was a "AAA" rate from F & M Bank. He further stated that the project cost is \$10 million, with an additional \$400,000 from Authority funds. Mr. Long explained that the project consists of refinancing the existing bond because the interest rate on this loan would be lower than the interest rate on the existing bond.

Treasurer Edward S. Goodhart stated the interest savings, depending on the prime rate, would be a minimum of \$76,000.

Bob Long explained that, as part of the proposal, the bank wanted the existing bond paid off so it would get a first lien position on the water revenues. He stated for additional bonds to be issued under that indenture, because of the covenants, it would have been more costly. He further stated that the original projected amount was \$15 million, but because of the size of the banks involved, he suggested that \$10 million be the first component because he felt \$15 million was beyond the lending capacity of the banks and better proposals would be received for the smaller amount. Once the \$10 million was obtained, negotiations began for an additional \$5 million, resulting in a 4-year loan, which will act as interim financing draw-down loan. Mr. Long explained that the monies will be drawn-down as needed and interest paid only on monies drawn.

Councilperson Geno Torri asked if PennVest funds will be used to pay off the \$10 million.

Bob Long replied that PennVest funds will be used to pay off the second \$5 million.

Councilperson Torri questioned where the H2O grant can be used.

Mr. Long explained if the Authority receives an H2O grant, the money is never drawn-down.

Councilperson Torri asked if there's been any discussion on using that money to pay off the other \$5 million or is that money just waiting to be used on another project.

Secretary William Wolfe stated that, if the Borough Authority receives both grants, there are other projects that could be done but the emphasis is on the Roxbury Road project.

Councilperson Torri questioned if that loan will ever be paid off with any other money.

Bob Long explained that the H2O grant has no refinancing restrictions.

Treasurer Goodhart stated that any of that money that the Borough Authority gets, it won't have to borrow as much.

Vice President Joe Hockersmith asked if it's correct that the Authority's ratepayers shouldn't see any rate increase to cover this capital expenditure.

Treasurer Goodhart replied there should be no rate increases in the next five (5) to eight (8) years unless there's no future development.

Councilperson Torri asked to be made comfortable with the fact that F & M Bank has secured a secondary lender for the \$5 million.

Bob Long replied that the loan is from F & M Bank.

Councilperson Torri asked the name of the secondary lender.

Mr. Long replied that it doesn't matter who the secondary lender is because the Authority's contract is with F & M Bank.

Councilperson Torri stated that it does make a difference because this is how everything started.

Mr. Long explained that F & M Bank is a depository bank regulated by the banking regulators. The excesses in Wall Street were primarily outside the regulated banking system.

There being no further discussion, Councilperson Geno Torri moved to adopt Ordinance No. 09-839. Motion seconded by Councilperson Belvin Banks. Motion carried unanimously.

OTHER BUSINESS

MEMORIAL PARK ENTRANCE

Borough Council discussed a list of improvements to the entrance to Memorial Park prepared by Kevin Plasterer.

Vice President Joe Hockersmith requested that Council review the list, as this item will be on Council's next agenda. He stated that Community Development Block Grant funds are available for the project.

Council briefly discussed the proposed list of improvements.

Mayor Bruce Hockersmith pointed out that the lights at the Park entrance need to be upgraded to make them energy efficient.

Secretary William Wolfe stated that once the list is approved, Tom Fields will only have to re-program the funds.

Kevin Plasterer commented that he plans to have a Phase 2 and a Phase 3 for further improvements at the Park.

Councilperson Kathy Coy questioned who does the gardening at the Park.

Kevin replied that Zullinger-Brenize will be doing that work once a week.

Councilperson Coy asked, since Jill Hudock doesn't want to maintain the Peace Garden on a regular basis, could it be incorporated with the front.

Kevin stated that Zullinger-Brenize would charge a fee to do that work.

Councilperson Torri suggested that Zullinger-Brenize place a sign stating, "Courtesy of....."

Kevin replied that neither Zullinger-Brenize nor Lurgan Greenhouse want any signs.

Councilperson Torri stated that the Peace Garden is going to end up being the Borough's problem.

Kevin stated that he'd ask the landscapers again.

HATCH HOUSE

Councilperson Belvin Banks reported that the Hatch House shutter, facing towards the medical clinic, is loose.

TRAFFIC SIGNS

Councilperson Banks stated that the signage on South Penn Street limiting truck traffic, at the bridge overpass, needs to be bolder, as trucks are still coming down South Penn Street and having to back up.

Vice President Joe Hockersmith directed Secretary Wolfe to contact Shippensburg Township again regarding their missing sign at Fayette Street.

ORDINANCE REVISIONS

Mayor Bruce Hockersmith informed Council that Chief Fred Scott is requesting that the Curfew Ordinance and the Peddling/Solicitation Ordinance be revised.

EARTH HOURS

Mayor Hockersmith stated that there's a world-wide movement to turn lights off on Saturday, March 28, 2009, from 8:30 p.m. to 9:30 p.m. He requested that Council go to www.earthhoursus.org, so support of this movement can be discussed at Council's next meeting.

ADJOURNMENT

There being no further business, Councilperson Kathy Coy moved to adjourn the meeting. Motion seconded by Councilperson Geno Torri. Motion carried unanimously. Meeting adjourned, 7:54 p.m.