

BOARD OF COMMISSIONERS MEETING MINUTES

February 1, 2021

The regular meeting of the Board of Commissioners of the Township of Upper St. Clair, duly advertised and posted in accordance with law, was called to order at 7:30 PM on Monday, February 1, 2021 at the Community & Recreation Center, 1551 Mayview Road, Upper St. Clair, PA. The Pledge of Allegiance was recited by all present.

PRESENT: Commissioner Christie President
Commissioner Paoly Vice President
Commissioner Enck
Commissioner Orchowski
Commissioner Pardini
Commissioner Plutko
Commissioner Waller

Matthew R. Serakowski Township Manager
Mark Mansfield Assistant Township Manager
Mark P. Romito Director of Finance
Adam A. Benigni Director of Community Development
Irving Firman Township Attorney
Jennifer Slagle Township Engineer
Prudence Cooper Recording Secretary

PUBLIC: Approximately 6 people attended.

PRESENTATION RE. UPPER ST. CLAIR ATHLETIC ASSOCIATION USER FEES

Mr. Erik Lund, Vice-President and Co-Chair of the Fields and Facilities Committee of the Upper St. Clair Athletic Association (USCAA), along with Rob York, USCAA Secretary and Soccer Commissioner; David McClintock, USCAA President, and Joe Kroczyk presented a check to the Township in the amount of \$24,330.00 for the 2020 user fees.

Mr. Lund stated that due to the pandemic, there were changes with the programs and events with the USCAA in 2020. Despite the pandemic, over 2,000 athletes ages 5 - 18 participated and the sport of flag football was added last year. The USCAA has over 25 volunteer residents and are celebrating their 68th year. Mr. Lund expressed how wonderful the Township facilities are and thanked the Board and Township Staff for providing a safe and memorable experience for the volunteers and athletes.

Mr. McClintock also thanked the Board and Staff and shared the many changes the USCAA experienced in 2020; for example, many of the spring sports occurred into the summer. Numerous sporting events did take place, such as travel soccer, softball, and baseball and there was 90% participation compared to 2019. Mr. McClintock recognized the USCAA volunteers and shared that residents expressed how happy their children were to play sports during 2020.

Commissioner Waller stated that he sits on the USCAA Fields Committee and expressed his appreciation for the parents, volunteers and coaches of the USCAA and all that goes into coordinating its activities.

Commissioner Christie thanked the representatives of the USCAA present at the meeting tonight and shared that he has been involved in coaching and acknowledged the wonderful sporting

facilities. He added that the USCAA provides a great experience for volunteers and athletes and it is another benefit of living in the Township.

REVIEW OF BOARD OF COMMISSIONERS' REGULAR MEETING MINUTES OF JANUARY 4, 2021

Commissioner Enck moved to approve the Regular Meeting Minutes of January 4, 2021. This was seconded by Commissioner Waller and carried with a 7-0 voice vote.

PUBLIC COMMENTS

None.

OLD BUSINESS

None.

NEW BUSINESS

RECOMMENDATION RE. PLC21-5701 – AMENDMENT TO CHAPTER 57 OF THE TOWNSHIP CODE ENTITLED “FEES”

Mr. Benigni stated that the Community Development Staff is recommending fee adjustments for electrical permits and inspections based on increases established by the Township's contractor for electrical inspections, Middle Department Inspection Agency, Inc.

Mr. Benigni added that Staff recommends the approval of Bill No. 1-21, which may be accomplished by a simple motion and roll call vote.

Commissioner Christie asked if there were any comments from the Board or the public and there were none.

MOTION AND VOTE TO APPROVE BILL NO. 1-21

Commissioner Orchowski moved to approve Bill No. 1-21 Re. PLC21-5701 – Amendment to Chapter 57 of the Township Code entitled “Fees”. This was seconded by Commissioner Plutko and carried with a 7-0 roll call vote.

RECOMMENDATION RE. 2021 TOWNSHIP ENGINEER FEE SCHEDULE

Mr. Serakowski stated that Township Engineer, Gateway Engineers, has submitted their 2021 Fee Schedule. Staff recommends approval of the Fee Schedule which may be accomplished by a simple motion and voice vote.

Mr. Serakowski added that the Township Engineers have confirmed that their fee rates are locked in for three (3) years.

Commissioner Christie asked if there were any comments from the Board or the public and there were none.

MOTION AND VOTE TO APPROVE 2021 TOWNSHIP ENGINEER FEE SCHEDULE

Commissioner Waller moved to approve the 2021 Township Engineer Fee Schedule. This was seconded by Commissioner Paoly and carried with a 7-0 voice vote.

RECOMMENDATION RE. 2021 BOND ISSUE PARAMETERS ORDINANCE

Mr. Romito asked for consideration of Bill No. 2-21 which authorizes the issuance of new debt and the potential refunding of two (2) existing debt issues. He will be further clarifying the proposed bond issue and the considerations taken prior to making this recommendation.

Mr. Romito then introduced Bond Team members present at tonight's meeting: Mr. Mike Bova, Underwriter with Boening & Scattergood; and Mr. Anthony Ditka, Bond Counsel with Dinsmore & Shohls. Mr. Jay Wenger, Financial Advisor with the Susquehanna Group, was present via audio conference.

Mr. Romito began with a Power Point presentation which covered the following key points:

- Introduction of the Bond Team and their responsibilities
- Review of the primary objectives and considerations that go into a bond recommendation
- A timeline of the 18 months of work completed on the bond issue
- An explanation of the difference between Level and Wrap debt services
- The pros and cons of structuring this bond issue with 20-Year Level debt service vs. 20-Year Wrap debt service

Mr. Romito clarified for Commissioner Christie that the Township's debt service as a percentage of expenditures being 10.9% is a reasonable and affordable debt load.

Mr. Romito concluded that Township Staff and the Bond Team recommend the issuance of a \$14,000,000 20-Year Wrap General Obligation Bond, Series of 2021. This structure would result in new debt service of roughly \$480,000 annually through the anticipated 2031 call date, which fits within the 2021 Budget and the long-term financial plan. It would also keep aggregate debt level at roughly \$4,000,000 annually through 2035 and then decreasing to roughly \$3,500,000 through 2041.

Therefore, Staff recommends adoption of Bill No. 2-21 which may be accomplished by a simple motion and roll call vote.

Commissioner Orchowski had concerns regarding the following:

- The high coupon rates presented despite being in a favorable market environment. Mr. Bova responded by explaining that we will be issuing premium bonds, and that the 4% coupon is the interest paid to the bond holder, but the actual yield is much lower due to the premium they are paying for the bonds. Mr. Bova also noted the ability to refinance in the future.
- If it is realistic to call the bonds after 10 years due to current market conditions. Mr. Ditka and Mr. Bova both confirmed that it is realistic to expect that the market will allow for a bond refunding savings in 10 years.
- The bond's 20-year Level option has \$3,000,000 less interest than the 20-year Wrap option.
- During the first 8 to 10 years, the Township will not be paying anything towards the principal of the debt, only the interest. Mr. Romito explained that the recommended structure allows the Township's aggregate debt service to remain level and reminded the Board that the Township's entire debt structure is considered any time new debt is proposed. Those considerations collectively led to the 20-year Wrap as the best option. Mr. Bova shared that, similar to a mortgage, the principal is not paid back for several years, only the interest on the debt.

Commissioner Waller expressed that he is in favor of the Bond as it allows for no tax increase.

Commissioners Paoly and Enck support the Bond because of its budgetary flexibility in the coming years.

Mr. Serakowski responded to Commissioner Christie's inquiry about the future debt service relating to sanitary sewer regulations by stating that sanitary sewer debt is self-liquidating and has no material impact on what is being reviewed.

Mr. Wenger clarified for the Board that the choice of Level or Wrap Debt Service is a Board policy decision, but the coupon and yield is market driven. This means that there is little to no cost to the Township to issue premium bonds because they will most likely be refunded at the call date, so the cost of borrowing will be under 2%.

Commissioner Christie thanked Staff and the Bond Team for tonight's presentation and acknowledged the extended time it took to review this matter.

Commissioner Christie asked if there were any additional comments from the Board or the public and there were none.

MOTION AND VOTE TO APPROVE BILL NO. 2-21

Commissioner Pardini moved to approve Bill No. 2-21 Re. 2021 Bond Issue Parameters Ordinance. This was seconded by Commissioner Waller and carried with a 6-1 roll call vote. Commissioner Orchowski cast the negative vote.

OTHER BUSINESS

Commissioner Orchowski expressed that, although he voted against the 2021 Bond Issue Parameters Ordinance, he will support the decision of the Board.

ADJOURNMENT

Following a motion for adjournment by Commissioner Paoly and a second by Commissioner Enck, which carried with a 7-0 voice vote, the meeting was adjourned at approximately 8:50 PM.

Prudence Cooper
Recording Secretary
February 2021