



## **Finance Committee Meeting Minutes Monday, November 26, 2018**

*Note: Minutes developed from notes taken and recollection of meeting comments.*

Meeting called to order by Chairman Kelly Murphy at 6:00 pm.

*Committee Members Present:*

Kelly Murphy (Chair), Cle Berntheizel (Vice Chair), John Novak (Member)

*Borough Officials/Staff Present:*

Borough Manager Rebecca Denlinger, Borough Finance Director Georgianna Schreck, Borough Accountant Kyle Watts, Councilors Fran FitzGerald, Todd Burgard, and Marilyn Kress Hartman

*Citizens Present:*

Dennis Marino (K. T. Graham Inc.), Don Murphy, Jamie Weidner (Columbia Life Network), Sharon Lintner, Joe Lintner, Frank Doutrich

*Citizens Comments:*

No non-agenda items directed to the committee. Comments/questions addressed during discussion of specific items.

*Minutes Approval:*

Berntheizel moved to approve the October 22, 2018 Finance Committee meeting minutes as presented, Novak second, approved unanimously.

*Presentations:*

Dennis Marino representing K. T. Graham, Inc. presented the committee and staff with background information for their proposed use of the property, the terms and conditions of a draft lease agreement, and proposed financial considerations of a lease for borough-owned property located at 137 South Front St. K. T. Graham would utilize the facility to expand their business operations which consists of sales, service, and parts for container handling equipment, yard jockeys, and trailer spotters, specializing in Kone/Fantuzzi crane systems (used in intermodal transportation at ports for stacking/unstacking containers on trailers, rail cars, and ships). The lease proposal calls for Graham, as the tenant, to maintain and repair/replace certain systems in the building (HVAC, electrical, and mechanical systems), while the borough, as owner, would maintain and repair/replace parking lots, building exterior, roof, and the elevator. The borough would need to ensure the property is kept in good condition and any necessary repairs made to our specifications. Terms of the lease include an initial 5 year lease term starting at \$59,100 per year, escalating to \$60,875, \$64,000, \$70,400, and \$78,800 in years 2, 3, 4, and 5. Lengthy conversation was entertained with regard to ramifications to the financial terms of the agreement should either the Columbia Borough School District or Lancaster County pursue having the property placed on the tax rolls (currently exempt) since the end use would be non-governmental and Graham's unwillingness to undertake responsibility for any tax burden which could be placed on the property. Any decision to move the terms/conditions of the lease forward to council for consideration is contingent on obtaining collaborative agreement on certain details in the agreement the lease details (particularly concerning subletting a portion of the building by the tenant) and acknowledgement that approval would start the 30-day clock to allow for any additional lease proposals to be presented to the borough.

# Finance Committee Meeting Minutes

11/26/2018

## *Presentations (cont'd):*

After discussion, Berntheizel moved to approve consideration of the terms and conditions of a proposed lease agreement between K. T Graham and Columbia Borough (contingent on final solicitor approval), Novak second, approved unanimously. **Action Item: Consideration of the terms and conditions of a proposed lease agreement between K. T Graham and Columbia Borough (contingent on final solicitor approval) will be forwarded to Council for consideration of approval at the December 10, 2018 Council meeting.**

## *October 2018 Finance Report:*

Treasurer's Report was presented for review with no comments of note provided by any in attendance. Budget Performance Reports (General Fund, Capital Fund, Liquid Fuels Fund, Highway Capital Fund, Bond Capital Fund, and Wastewater Fund) and Tax Collector's Report were presented for review; specific items were questioned and explanations were provided by staff. Certain questions were directed and answered during the meeting or addressed via email from Borough Finance Director Schreck and Accountant Watts. Expense check were presented for review; specific items were questioned and explanations were provided by staff. Escrow Information, Open Invoices, Cash Flow Chart, and Monthly Revenues/Expenses were presented as information only for review. Update provided on current financial status of borough bond issue investment with Red Tree and reviewed with a balance remaining of \$5,504,950, and the Wells Fargo investment account covering the LASA Wastewater sale with a current balance of \$6,243,892, both accounts presently designated solely to Capital Fund items/expenditures. Permit Lists updated for October 2018 were provided as information only for review of permits issued for work performed on properties which could affect the assessed value. Also presented were the Wastewater Septage Billing Report, the outstanding Wastewater liens, and the Wastewater Aging Report. Finance Manager reported that the Liquid Fuels audit was recently completed by the state for 2017 with no adverse findings reported. Novak moved to approve the October 2018 Finance Reports as presented, Berntheizel second, approved unanimously. **Action Item: October 2018 Finance Reports will be forwarded to Council for consideration of approval at the December 10, 2018 Council meeting.**

## *Continued Business:*

Committee reviewed an update on the current blighted property list, the status of Land Bank property acquisitions, and current program financial status. 208-210 Locust St. and 494 Manor St. projects continue in process. Funds were expended for purchase and associated expenses for properties at 304 Cherry Street, 551 Avenue H, and 554 Walnut Street. Land Bank Authority is negotiating acquisition of properties at 32 S. 9<sup>th</sup> St., 838 Houston St., 318 S. 3<sup>rd</sup> St., and 332 Locust St. Columbia's Land Bank provides an unreserved fund balance of \$42,394, with \$200,000 in reserved funds. An update was reviewed for the blighted property list.

Borough Manager provided the committee with an update on the progress of the borough's Redevelopment Assistance Capital Program (RACP) application for downtown parking and Market House improvements. Advisory meetings have been held with Lancaster Parking Authority and Lancaster Economic Development Corp. regarding next steps, including a parking study which may be funded via the Capital fund and which will be needed to proceed. After discussion, a motion was made by Novak, second by Berntheizel, approved unanimously to direct an administrative action of the Borough Manager to proceed with completion of the online application step of the RACP grant process and to report back to borough council with progress and any responses.

Borough Manager provided the committee with an update on the progress of the borough's Multimodal Transportation Fund (MTF) grant application for the Columbia Streetscape Program. Borough was expecting a reply; however, the scheduled review meeting at state level was not held and has been postponed to most likely early 2019.

# Finance Committee Meeting Minutes

11/26/2018

Borough Manager provided the committee with an update on the progress of the borough's Keystone Opportunity Expansion Zone (KOEZ) application based on required revisions to the property list. Properties listed must be currently occupied and viable (no empty lots), and payment in lieu of taxes (PILOT) agreements must be completed with any potential property owner (no contingencies permitted) prior to submission of the application. After discussion, Novak moved to consider approval to revise KOEZ Ordinance sections 5, 6, and 7 due to a change in the listing of properties for inclusion in the Keystone Opportunity Expansion Zone (KOEZ), Berntheizel second, approved unanimously. **Action Item: Consider approval to revise KOEZ Ordinance sections 5, 6, and 7 due to a change in the listing of properties for inclusion in the Keystone Opportunity Expansion Zone (KOEZ) will be forwarded to Council for consideration of approval at the December 10, 2018 Council meeting.**

Committee reminded of the ongoing need to continue negotiation process for the Comcast agreement renewal with the borough based on notification of our intent not to renew under present terms. Borough solicitor is collaborating with Cohen Law Group to advise the borough on next steps in cable franchise renewal negotiations as the current agreement expires September 11, 2019.

## *New Business:*

Committee received and reviewed quote received from Police Chief Brommer from Diversified Storage Solutions to install high density shelving system in the Police Department Records Room donated to the department by Penn Medicine/LGH. Project will be completed utilizing uncommitted 2018 Capital budget funds. Borough Manager advised that this was the only quote received to this point, and that additional quotes will be obtained prior to recommending a vendor for the project to council. Diversified Storage Solutions has provided a quote for the work at \$10,562.38, and they are a CoStars approved vendor. After discussion, Novak moved to consider approval to install high density shelving system in the Police Department Records Room utilizing uncommitted 2018 Capital budget funds at a cost not to exceed \$10,600 via the lowest cost vendor, Berntheizel second, approved unanimously. **Action Item: Consider approval to install high density shelving system in the Police Department Records Room utilizing uncommitted 2018 Capital budget funds at a cost not to exceed \$10,600 via the lowest cost vendor will be forwarded to Council for consideration of approval at the December 10, 2018 Council meeting.**

Committee received and reviewed quote received from Police Chief Brommer from AppTech quote for upgrades to Columbia Crossing/River Park security cameras and server as planned in 2018 Capital budget. Items required to increase safety coverage in the area and to remove issues with sending of data from cameras in this end of the borough to the police office. After discussion, Berntheizel moved to approve the \$11,971.27 quote from AppTech for upgrades to the Columbia Crossing/River Park security cameras and server as planned in the 2018 Capital Fund as presented, Novak second, approved unanimously. **Action Item: Consider approval of a \$11,971.27 quote from AppTech for upgrades to the Columbia Crossing/River Park security cameras and server as planned in the 2018 Capital Fund will be forwarded to Council for consideration of approval at the December 10, 2018 Council meeting.**

Discussion initiated by Borough Manager regarding management staffing changes and pending retirement. Personnel committee has been discussing a realignment of borough senior staff and realignment of job duties due to retirements which could take place in the near future that affect borough functions. As such, we recently received a letter from Mr. Ronald Miller as Columbia Borough Public Works Director effective February 1, 2019. In preparation for this action, taking into consideration the skill level of present staff, and a policy of promoting from within where possible, the following actions were recommended and motions made in support of realignment: (1) Consider approval to accept the resignation of Ronald Miller as Columbia Borough Public Works Director effective February 1, 2019 (motion Berntheizel, second Novak). (2) Consider approval to appoint Georgianna Schreck as Assistant Borough Manager effective immediately at the present salary

# Finance Committee Meeting Minutes

11/26/2018

(motion Novak, second Berntheizel). (3) Consider approval to promote Accountant Kyle Watts to Finance Manager effective immediately at a salary of \$55,000 per year (motion Berntheizel, second Novak). (4) Consider approval to post the Accountant position internally beginning December 11, 2018 (motion Berntheizel, second Novak) – all motions approved unanimously to send to full council for vote. **Action Item: Motions to (1) Consider approval to accept the resignation of Ronald Miller as Columbia Borough Public Works Director effective February 1, 2019; (2) Consider approval to appoint Georgianna Schreck as Assistant Borough Manager effective immediately at the present salary; (3) Consider approval to promote Accountant Kyle Watts to Finance Manager effective immediately at a salary of \$55,000 per year; (4) Consider approval to post the Accountant position internally beginning December 11, 2018 will be forwarded to Council for consideration of approval at the December 10, 2018 Council meeting.**

Meeting adjourned at 8:39 pm on a motion by Berntheizel, second by Novak, approved unanimously.

Respectfully submitted,  
Kelly Murphy, Finance Committee Chair