

# Council of the City of York, Pennsylvania

Henry Hay Nixon, President of Council  
Sandie Walker, Vice President of Council  
Judy A. Ritter-Dickson, Member of Council  
Edquina Washington, Member of Council  
Lou Rivera, Member of Council

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## MINUTES December 29, 2020 6:00 p.m. (Continued from 12/22/20)

**CALL TO ORDER:** President Nixon called the December 29, 2020 continuation meeting to order at 6:00 p.m. with the following Council members teleconferencing in from remote locations: Lou Rivera, Edquina Washington, Sandie Walker, Vice President, and Henry Hay Nixon, President, with President Nixon presiding.

**Members of the Administration in attendance included:** Michael R. Helfrich, Mayor; Tom Ray, Business Administrator; Dan Hevner, Assistant Business Administrator; Cherie Alwine, Finance Officer; Kim Robertson, HR Director; Gere Levelle, Budget Team Member; and Jason Sabol, Assistant Solicitor, with all teleconferencing in from remote locations.

**Members of York City Council staff in attendance included:** Dianna L. Thompson-Mitchell, City Clerk, who also teleconferenced in from a remote location.

**NOTICE:** Council's meeting format has been altered due to the Declaration of Disaster Emergency issued by Governor Wolf amid the COVID-19 (coronavirus) pandemic and the recent breach to the city's information technology department. Public Comment will only be received on agenda items. General Public Comment is suspended until further notice. Below are ways citizens may watch and participate in the Council meeting:

1. For public view only link, click this link: <https://zoom.us/j/91462846649?pwd=bWR4R0lVM2Fpd3NoQVhUc3ZvSTRxZz09>  
Passcode: 54321
2. For public call-in number: Dial (for higher quality, dial a number based on your current location):  
US: +1 312 626 6799 **or** +1 646 876 9923 **or** +1 301 715 8592 **or** +1 669 900 6833 **or** +1 253 215 8782  
**or** +1 346 248 7799 **or** +1 408 638 0968  
Webinar ID: 914 6284 6649  
Passcode: 54321  
To request to comment during the meeting, you must press \*9 to "Raise your hand." When recognized, press \*6 to unmute/mute your microphone. Zoom will also remind you to press \*6 after you are recognized to speak. Also, those watching in Zoom may use the "Raise Hand" feature to indicate your request to comment.
3. Watch the meetings on Comcast Cable Channel 18.
4. Watch the meetings live on Facebook (Search for "City of York").
5. Watch the meetings online at [www.wrct.tv](http://www.wrct.tv)
6. Email comments on agenda items to the City Clerk at [dthompso@yorkcity.org](mailto:dthompso@yorkcity.org) no later than 3PM on the day of the scheduled meeting.

7. Mail comments on agenda items to: Office of City Clerk, Attn: Public Comment, 101 S. George St., York, PA 17401. Comments must be received the day prior to the scheduled meeting date by 4PM.
8. Persons with hearing impairments may call the Deaf Center at TDD (717) 848-6765 for assistance.

I. Reconvened Legislative Meeting at 6PM (Continued from 12/22/20)

II. Roll Call

President Nixon introduced LeeAnne Clayberger, Gerry Cross, and Steve Goldfield of the PA Economy League (PEL). He said they will discuss the city's Early Intervention Plan.

Ms. Clayberger said PEL exists to help establish strong, stable communities.

Mr. Cross opened discussion about the city's Early Intervention Plan (EIP) wherein the city has already undertaken several steps recommended in the report. He then went over the recommendations the city implemented. He said other recommendations included the monetization of assets and to not link those funds to taxes but instead use them to cover legacy debt costs. He stated that the EIP is still good and the information is useful and accurate. He then discussed PA Act 47 "Financial Distress" and that tools under the Act would include increasing the Earned Income Tax. Mr. Cross said PEL has been involved with Act 47 since it was initiated in the 1980's. For 2021, he said, you don't have enough time to collect all monies available under Act 47. He said increased revenue is temporary when under Act 47 and is not part of a permanent fix for the city's deficits and it doesn't replace the long term structural changes. He said you need to consider serious changes to get out of Act 47 such as changing your form of government to Home Rule. Also, municipalities have sold large assets to help get them out of Act 47. So the bottom line, he said, is the EIP is still relevant today and the information in the plan proves valuable.

Mr. Goldfield added that we will have 3-6 months to conduct workshops once the WWTP is sold. He stated that it is common to wait until an asset agreement is signed before digging into actual proceeds and priorities. There is no doubt that the first thing to be done is to pay off the sewer debt. He said we have done an analysis on how the sewer debt could be handled. We'll go over with Council suggestions to allocate this money. If we move forward, we'll talk to Council about how to reduce the minimum municipal obligations MMO (pension contributions) by investing some of these proceeds without undermining the revenue from distressed pensions. He then touched on various other points they will talk to Council about through workshops to help with allocation recommendations to pay down debt. Analysis, workshops and policy making will take place after a few months, he said.

Ms. Clayberger reiterated that timing is key in terms of the sale of the Wastewater Treatment Plant (WWTP) and working with the administration and key stakeholders to discuss how these funds should be used and invested.

President Nixon said at the last meeting, Councilwoman Washington expressed concerns and had several questions related to the budget and sale of the WWTP. He asked if the Administration was prepared to answer those questions.

Mayor Helfrich responded to Councilwoman Washington's proposed revenue generating recommendations as follows:

Act 47: Mayor Helfrich said the misconception is that Act 47 wipes out our debts, which it does not. The measures taken under Act 47 are a temporary fix.

Earned Income Tax (EIT) or Local Services Tax (LST) increase: Mayor Helfrich said EIT is a 1.25% tax and LST is a \$52 tax paid yearly. The original budget did not include increases in those taxes because we were not seriously considering taking steps to declare Act 47. Sale of the WWTP was the only long term option that received significant support and would create long term financial changes.

How much revenue if LST is increased: Mayor Helfrich said if in Act 47, we could increase the LST to \$104 which would create \$1.1 million in revenue.

Distressed Pension EIT and MMO: Mayor Helfrich stated that we got into trouble using Act 205 monies for other than the unfunded pension obligations because that money is only to be used for unfunded pension obligations.

Increase real estate taxes 10%: The administration does not feel this would generate enough money to reduce taxes.

Two week furlough: Mayor Helfrich said unfortunately we cannot furlough police and fire so the actual value of a 2 week furlough of approximately 122 employees would generate about \$414,303 in revenue.

PILOT: We have been honored by a large increase from \$450,000 to \$1 million from WellSpan for their payment in lieu of taxes (PILOT).

FOP/IAFF giving up their COLA and pension increases: Mayor Helfrich stated that there is a possibility of doing this, however, this has to be done during negotiations. This would not have an impact on the 2021 budget.

Mayor Helfrich said with the revenue streams proposed by Councilwoman Washington as stated above, the city would have to go into Act 47 which could take 3 or more months and would require further approval from the courts. We can either increase EIT or LST. If we increase EIT that would garner about \$1.7 million but will only last as long as the Act 47 status lasts. Mayor Helfrich said the Administration and the PA Economy League are prepared to answer questions from Council.

Councilwoman Washington thanked all for providing an opportunity for a recess to address her concerns. She then read a statement and did a Powerpoint presentation related to the figures she came up with from her proposed revenue streams. She said she needs more time to review the numbers presented by the Administration this evening and she may have more questions. The following is Councilwoman Washington's statement:

“Good evening everyone:

First and foremost, I would like to offer my thanks and appreciation to my fellow colleagues, our Administration, and most importantly our community for the opportunity to recess, to have further questions and concerns answered.

Thank you to Mayor Helfrich and his administration for their hard work, as well as considering and answering my questions, it is greatly appreciated.

I have been contacted by numerous constituents with many questions, seeking clarity and transparency on the City of York's budget, spending plan, and the sale of our WWTP. I would urge our constituents to contact my colleagues as well and let them know your concerns. Thank you to PEL for your presentation and sharing our City's plan with us.

I have a very short presentation, that will share some of the questions that I provided to our administration, as well as suggestions on alternative revenue streams:

As you can see, I presented to my colleagues, as well as the administration possible alternatives to gain additional revenue streams, in the amount of \$8.1 million. Please note that these suggestions would decrease the possible property tax increase of 48% down to 10%.

I've tried to distinguish the 2021 budget from the WWTP sale. It is very hard, with a possible \$20+ plus million \$ up front payment, although I do understand where people are coming from. It's easier to take the upfront payment to fill the budget gap, which I totally understand. But my work and the \$8.1 million that I came up with, doesn't fill the gap, but with the help of the admin and my colleagues, I am sure that we can come up with the difference.

Since we are on the subject of the WWTP, if rates are going to be flat for 3 years, with the potential buyer, it is inevitable that within 3 years our rates will at least triple by \$100 more per month, because the purchasing company will most likely need to recoup their monies spent to purchase our asset. I would also like to be made aware of the rate projections provided by the bidders over the next 5-10 years.

Information given to me over the past few days, shows me the administration does not have a clear plan for spending these proceeds. Are we going to pay down our debt? It's like selling our homes and using the proceeds to buy a new car, instead of paying off credit cards or other debts that we owe. Gratefully, I have received a response from the administration on my presented alternative streams of revenue within our budget, the possibility of considering them, and their suggestions, but only just two hours ago.

I stand firm that I will need more time to make a sensible vote and thoroughly review the information provided to me by the administration. Thank you."

President Nixon asked if Councilwoman Washington had any amendments to offer this evening. She said not at this time.

Assistant Solicitor Sabol said it appears Councilwoman Washington is not prepared to vote on the budget tonight. He said we have to pass a budget by December 31<sup>st</sup> or government will shut down. That means no services and no pay. He suggested using this evening as a work session.

President Nixon asked if Councilwoman Washington would like to conduct a work session this evening or at a later date.

Councilwoman Washington said she would like more time to review the information presented by the Administration this evening.

President Nixon said at this point, we will recess to allow Councilwoman Washington more time. He said it's imperative we pass a budget that is balanced because he does not want to see government shut down or put our employees out of work for two weeks.

There being no further discussion, President Nixon recessed the meeting until tomorrow, December 30, 2020 until 1PM.

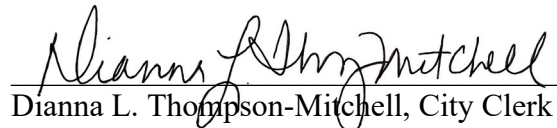
**Final Passage of Bills**

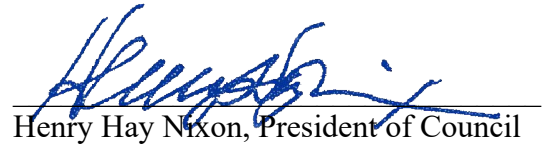
1. **Final Passage of Bill No. 20 (AMENDED)(Continued to 12/30/20)** - A Bill  
Adopting the 2021 York City Budget ([View](#))  
Introduced by: Sandie Walker  
Originator: Mayor
  
2. **Final Passage of Bill No. 21 (AMENDED)(Continued to 12/30/20)** - A Bill  
Adopting the 2021 Tax Rate. ([View](#))  
Introduced by: Sandie Walker  
Originator: Mayor

III. Council Comment: None

IV. Administration Comment: None

V. Recessed: President Nixon recessed the December 29, 2020 meeting and will continue the meeting tomorrow, December 30, 2020 at 1PM.

  
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Dianna L. Thompson-Mitchell, City Clerk

  
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Henry Hay Nixon, President of Council