

**NEWVILLE BOROUGH COUNCIL  
WORK SESSION / REGULAR MONTHLY MEETING  
FEBRUARY 28, 2023 AT 6:00 PM**

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The work session meeting of the Newville Borough Council was held on Tuesday, February 28, 2023 at 6:00 PM in the Newville Borough Office, 4 West Street, Newville Pennsylvania, with the regular monthly meeting at 7:00 PM.

The meeting was called to order by Council President Scott Penner. The invocation was given by Solicitor Marcus McKnight III, followed by the Pledge of Allegiance. On roll call, the following members were present: Robert Darius, Joey Diehl, Jack Ericksen, Pastor Joe Kindon, Edward Sinkovitz, and Scott Penner.

Also present: Borough Secretary Jody Hoffman, Solicitor Marcus McKnight, Police Chief Todd Koser, Code/Rental Inspector Jeff Line, Mayor Michael Croutch via Zoom, Sentinel reporter Maddie Seiler, another journalist, Jonathan Cox with Eckert Seamans, Jim Burkholder with WEMA and Andrea Greene, chair of the EDA.

Public present: Tom Brink, Carmine Sciccuimno, Linda Over, Bob Over, Sharpe Over, Terry Over, Jody Roberts, Natalie Hutchinson, Bob Kanc, Vicki Witter, and Lucy Jansema.

**Finance and Manager's Report:** Mr. Penner started the meeting with reporting the transactions for January 2023 of the General Fund account. A list of bills was presented that designated help for payment from the Water and Sewer Authority. They included payroll of January 25, February 16 and February 22. Also included was Highmark health insurance for January and February as well as Comcast for the Borough office and the maintenance building.

A list of outstanding bills was presented that will need to be addressed in the near future. Those bills included insurances, PPL electric, maintenance, Saylor's, and the tax collector bond.

Mr. McKnight suggested a committee be formed to prioritize a list of bills to be presented to Mid Penn Bank moving forward with a loan. He would like to discuss this further during the business discussion of the regular meeting. Mr. Ericksen showed concern over the amount due for street lighting. He asked if the borough was in jeopardy of having services discontinued. Mr. McKnight replied that the bills that would not be canceled, are probably the highest. Ms. Hoffman explained that the bills presented for PPL and Saylor's show multiple months and delinquencies. She also differentiated between monthly and quarterly insurance bills. She stated her confusion that there are so many insurance policies and questioned if there is an overlap and duplication of coverage between them. Mr. McKnight suggested this be investigated by the new committee and speak with the agents representing the coverages.

Pennsylvania State Association of Boroughs Municipal Retirement Trust pension plans ending on January 31, 2023 were: Non-uniform \$453,116.61    Police \$274,123.36

The monthly bank statements for January were presented as follows:

<b>Mid Penn Bank:</b>	Highway Aid / Liquid Fuels	\$4,386.51
	Fire Tax	\$1,878.50
	Street Lighting	\$646.79
	Tax Anticipation Loan	\$117.50
<b>F &amp; M Trust:</b>	General Fund Expense	\$313.03

General Fund	\$6,944.66
Payroll	\$19,597.47
Recreation	\$7,119.71
Joint Veteran Council	\$846.63
Newville Area Events	\$1,461.91
Police Department Expense	\$82.02
Police Grant	\$156.89

Mr. Penner added to the regular agenda to appoint Mr. Ericksen, Mr. Sinkovitz and Ms. Hoffman to form the committee of prioritizing the bills and presenting them for payment. The bills will also be emailed to Mr. Penner, Mr. McKnight and Mayor Croutch. Mr. Penner stated that approval was received today of the STMP grant application of \$200,000 from DCED. Discussions will be held further during the regular meeting at 7:00 PM.

**Administration:** Pastor Kindon had nothing to report.

**Public Safety / Public Works:** Mr. Darius reported that the street light at 54 and 56 East Main Street is out and would like to know the procedure of reporting it. Ms. Hoffman stated if the pole number could be obtained, she would report it to PPL.

**Economic Development:** Mr. Ericksen reported that the Prospect Hosting Committee had a meeting on February 7, 2023 and Liz Knouse was appointed as the new chair. Bob Kanc has also joined the committee. There will be two events for 2023. The Water Wheel 5k will be held on May 20 and a business mixer combined with the annual meeting will be held sometime in the fall. A Big Spring High School intern will be working on web-based advertising and promotions. He stated that the members will be attending more mixers in the area.

Mr. Ericksen voiced his concerns of the EDA meeting and Mr. McKnight's presentation to them concerning the situation with the borough. Mr. Ericksen would like to know what the risks would be to the EDA. He would like to have the bond counsel meet with the EDA directly at their next meeting. Mr. McKnight stated that bond counsel will be meeting with borough council during the executive session of the regular meeting. Mr. McKnight explained that the borough cannot enter into any mortgages. A mortgage cannot be placed on any of their properties. He explained that was why a short-term loan to cover the months lacking in real estate revenue was obtained with Mid Penn Bank. That can no longer happen and why bond counsel was obtained so the borough can move forward and have a long-term solution.

Mr. Ericksen reported the board members of the EDA will conduct a fundraising platform. Last year they raised \$30,000 and Mr. Ericksen credited Mr. Kenn Tuckey for their success. In closing, Mr. Ericksen updated the council on the trailhead project moving forward on the paving and expansion of the parking lot as well as pouring a pad for the potential of bicycle rentals. A CDBG grant in the amount of \$77,600 was obtained for the project. Mr. Ericksen has been in contact with the engineer, Tim Cormany, for the bid and materials.

**Quality of Life:** Mrs. Diehl is requesting the use of the Community Park for the PA Wounded Warriors Car Show on September 16, 2023. She reported that the Fire Company will be sponsoring raffle tickets for a gun safe that has been donated.

**Recreation:** Mr. Sinkovitz reported the Recreation Commission met on February 17 under new chair Mr. Matthew Kump. No events have been finalized as yet, but Mrs. Brymesser is in the process. Two letters of interest have been submitted for membership. Mr. Penner suggested moving the appointments to the March 28<sup>th</sup> meeting's agenda. Mr. Sinkovitz asked if the grant for the splash pad will be affected by the current situation. Mr. McKnight responded that the grant has been approved by the county and the matching funds would be a good item to be placed on the list of the new committee. Mr. Penner stated that DCED recommended going ahead with the splash pad project as well as the improvements at the trailhead. Mr. Sinkovitz asked about the status of 501c3 status. Mr. McKnight stated that he has put that on hold for the moment because of fees that are involved. Mrs. Diehl asked if there would be money available this year for an assistant for Mrs. Brymesser for the summer programs. Ms. Hoffman will look at the cost from last year. The installation of the scoreboard has been put on hold.

**Mayor:** Mayor Crutch reported the police bank accounts at Belco for the month of January were as follows: K9 Checking Account \$3,128.67, Calendar Fund \$11,524.19, Police Association \$5,124.53. The Auxiliary Police Account at ACNB has been depleted to \$0 due to fees. He reported the Cumberland County Clerk of Court was \$274.44 and the Magisterial District Court 09-3-02 was \$661.60. Mayor Crutch stated that some bills had to be paid from the calendar fund and hopes to get that account reimbursed soon.

**Chief of Police:** Chief Koser reported 185 calls for service for the month of January. There were six traffic citations issued, four parking violations and one warning issued for traffic enforcement. Chief Koser stated that traffic enforcement had not been a priority this month due to one less officer and a surge in major cases incurred in the last month. The total for patrol mileage in January was 1,892. There are a fourteen outstanding warrants.

Chief Koser was in possession of a memorandum from the police union in regards to the staffing clause of the police union contract. Part of the clause states that there has to be an active civil service list at all times. Due to the current financial situation of the Borough and due to the department staffing as it is, a memorandum was sent by the union to Council waiving the staffing clause in the police contract. There currently is no active civil service list at this time. Chief Koser explained that there will be a consortium in March to interview ten to fifteen people, however with the staffing as it is, he and the officers do not have the time to interview or the ability to hire anytime soon.

Lt. Henneman with the PSP had reached out to Chief Koser regarding coverage and case load after reading the article in the paper. Chief Koser explained that PSP will cover every Sunday and Monday evenings. Chief Koser will make the request through Mayor Crutch.

Mrs. Hutchinson asked Chief Koser if a traffic survey has been done near her residence on North High Street. Chief Koser replied that the box they use does better in warmer weather. He stated he would start in late March with the study.

**WCCOG:** Mr. Sinkovitz reported that Baker Engineering had conducted a traffic study of the intersection of routes 233 and 11 to survey the increase of traffic due to the warehouses. He also stated that PA State Rep. Barb Gleim spoke about stormwater management and the environmental impact. The concern was that when DEP and the Chesapeake Bay survey a stream, they both get different analysis. Mr. McKnight further explained that in the townships it

is about the environmental impact of animal waste that comes up from Virginia and Maryland. He stated that those states won't allow the waste to be placed on fields but DEP has not done regulations yet. Townships on their own cannot prohibit it because it is a states responsibility. Rep. Gleim is trying to get DEP to adopt regulations to prevent this.

**Code Enforcement:** Mr. Line reported that seven door hangers have been placed, has had eight verbal conversations, has received three complaints which led to two notice of violations. He has spoken with Southampton township regarding bulk trash pickup. Southampton has responded that the trash company is under staffed and to continue to call their office in regards of large items remaining curbside.

Mr. Line reported that ten letters have been mailed regarding rental inspections. One has been completed with the next occurring in March. A notice of violation, written by Chief Koser, was delivered to 20 Fairfield Street regarding an abandoned vehicle.

**Legal Matters:** Mr. McKnight stated that DCED has approved \$250,000 grant with an exception of a plan for recovery. Mr. McKnight provided council with a RFP and a list of names of recommendations to execute the plan which would be funded by the grant.

Mr. McKnight introduced Jonathan Cox, Bond Counsel with Eckert Seamans. Mr. Cox has been brought in to advise the Borough on how to meet their short-term financial needs and to deal with a short-term loan that should have been paid off, into a longer-term loan along with some finances that would help restore liquidity that was lost due to these issues.

Mr. McKnight further explained that municipalities cannot finance their long-term debt with mortgages. There are limited ways for boroughs to transform short term debt into long term debt and that is the purpose of bond counsel who are experts in doing that. Mr. Cox explained that his definition of bond is public finance counsel. He represents municipalities, public school districts and counties all over the commonwealth, specializing in municipalities with financial transactions.

Mr. McKnight has spoken with DCED and the next step will be an RFP for an individual who would set up a plan to meet all aspects of the financial situation right now.

### **The Regular Monthly Meeting of the Newville Borough Council began at 7:02 PM**

**Citizen Comment:** Mr. Bob Over commemorated how the gourmet club became the Fountain Festival and how the borough manager (Fred Potzer) was an integral part of founding the Fountain Festival. He also gave the history of how trees were brought into Newville and how Mr. Potzer was also a leading member of the Shade Tree Committee. Mr. Sharpe Over stated that Mr. Fred Potzer has done a lot for Newville and is sorry that this has happened. Mr. Sharpe Over commented that he had heard that the Water and Sewer Authority is paying all of the Borough bills. He asked if that is true and if Council can inform the audience of what is going on. Mr. Penner stated that there is a police investigation and some of the information cannot be disclosed at this time. Mr. Penner did state that there is a forensic audit being conducted. Mr. McKnight stated that at the end of that audit the Borough will be able to see where those funds went and that any speculation on amounts of money is entirely premature at this time. Mr. McKnight explained that the Water and Sewer Authority has transferred some money to pay joint bills, primarily payroll and insurances. The monies transferred has been documented and as soon as money becomes available through bond counsel, that money will be reimbursed to the Authority.

Mr. McKnight clarified any rumors of the Authority being insolvent are completely untrue. Mr. McKnight stated that real estate taxes will be coming in and will be able to repay the Authority. Mr. McKnight reported that when Fred (Potzer) went into the hospital, accounts that both the Borough and Authority were told by Fred had balances; in reality did not. That set off alarm bells. Mr. McKnight stated that he then had to contact Mid Penn Bank to cancel the tax loan for this year. It was then discovered that no principal had been paid on the tax loans for the past three years. In moving forward, there is enough information known that things were done inappropriately and that is why he (Fred) is no longer the manager.

Ms. Jansema asked for a definition of a forensic audit and that the District Attorney is conducting one. Mr. McKnight clarified that when the problem was discovered the District Attorney's office was immediately called. They arranged for the forensic audit to be conducted for the Borough and Water and Sewer Authority to see where the funds went and if any laws were broken. Mr. McKnight stated that a forensic audit is more detailed and show exactly where the funds went. Ms. Roberts questioned how the bills are being prioritized. Mr. McKnight stated that the main priority right now is the employees and insurances. He reported that at the same time water and sewer started receiving payments for the fourth quarter of 2022. The Authority stepped in to cover some of the payrolls for the Borough and those payments have been logged and will be reimbursed back to the Authority.

A question was asked as to why these discrepancies were not detected sooner. Mr. McKnight replied that Fred (Potzer) was never questioned because of his warm personality and involvement with the community. Mr. McKnight stated that as far as managing the finances of both the Borough and Authority, Mr. Potzer was never questioned. Mr. McKnight stated that one of the biggest tell was that Fred never took a day off. The day Fred went to the hospital, it was soon after that things started to appear that couldn't be explained. Ms. Witter asked if other people were involved. Mr. McKnight replied that that is not something that can be discussed at this time during the investigation however, he pointed out that all the council members are here and not running away from the situation. He also remarked that all the employees are also committed to continuing with business and ongoing events and activities. Mr. McKnight explained that both the Borough and the Authority were told untruths by Mr. Potzer and that is the definition of willful misconduct which caused him to be fired. A question was asked concerning the yearly audits that were required. Mr. McKnight stated that the person responsible for obtaining the audits was Fred (Potzer).

Andrea Greene, chairman of the Economic Development Authority, thanked the Borough Council, Mr. McKnight and the Borough secretary for their hard work moving forward. She relayed that on May 20<sup>th</sup>, the EDA will be hosting their second annual Waterwheel 5k with the Cumberland Valley Rails to Trails at the trailhead. On behalf of the EDA, she is requesting a waiver for the open container ordinance for the event. She stated the time frame for the event will be approximately 8:30 AM until 3:00 PM. The area for beer and wine will be served in a sectioned off area, open to only those who are 21 years or older and designated with a wrist band. Mr. McKnight requested her to make this a written request that can be presented for vote at the next meeting. Mr. Penner thanked Ms. Greene for the great job she is doing with the EDA.

Jim Burkholder with Western Emergency Management (WEMA) stated that he was here due to there building is located in the Borough and their truck is insured by the Borough. In light of what is happening, he would like assurance that everything is in order concerning WEMA. He is offering a waiver to the Borough of dues this year. WEMA is planning a marathon with Big Spring High School in 2024 from the cross-country course to the rail trail and into Shippensburg

Borough and back. He explained that he will be starting the EOP this year because of the expanse of the operation. There are seven intersections that will need patrol with fire police on the trail. He estimated that this will be sometime in September (2024) and has already contacted Shippensburg, South Newton, Newville Firehouse and EMS, as well as other local fire companies. The command center will be located at Oakville since it is the center point of the trail. Mr. Penner thanked Mr. Burkholder for every thing WEMA does for the community.

Mr. Tom Brink asked council if there would be any interest in having an e-waste day on a Saturday afternoon for the Borough. Mr. Brink would like to have a place to set up and also advertise the event on the website. He is unable to take CRT televisions. Mr. Brink would not charge for this service. Mr. McKnight asked that Mr. Brink get county approval. He explained that he sets up with North Newton Township twice a year and takes their electronics. He also stated that Staples takes small printer for free. Mr. Penner asked that Mr. Brink submit a proposal and date for the next meeting.

**Consent Agenda:** The consent agenda consists of the approval of the minutes of January 31, 2023, approval of the list of bills for January 2023, approval of the Treasurers report for January, and all the reports of the department heads.

A motion was made by Mr. Sinkovitz, seconded by Mr. Darius to accept the Consent Agenda. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.

**Legal Matters:** Mr. McKnight requested an Executive Session to discuss information required prior to the vote of Council.

**Old Business:** There was nothing to discuss regarding old business.

**New Business:**

- a. A motion was made by Mrs. Diehl, seconded by Pastor Kindon to close the appropriate streets for the Fountain Festival Parade on June 16, 2023 and the Fountain Festival on June 17, 2023. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.
- b. Item will be discussed during Executive Session, prior to voting.
- c. A motion was made by Mr. Sinkovitz, seconded by Mrs. Diehl to approve a rest stop at the Newville Trailhead on Sunday, September 17, 2023 from 7:00 AM to 3:00 PM by the Harrisburg Bicycle Club. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.
- d. A motion was made by Mrs. Diehl, seconded by Mr. Sinkovitz to authorize Meg Feaser of the Big Spring Post Grad Committee to place a banner advertising their Spring Fling car and craft fundraiser on the bridge coming into Newville Borough. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.
- e. A motion was made by Pastor Kindon, seconded by Mr. Sinkovitz to approve the use of the Community Park on Sunday, April 2, 2023 from 1 PM to 5 PM for the #ForNewville annual egg hunt. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.
- f. A motion was made by Mrs. Diehl, seconded by Pastor Kindon to approve the use of the Community Park on Fridays for Summer Faith and Fun Days, starting on June 16, 2023

and concluding on August 11, 2023. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.

- g. A motion was made by Mrs. Diehl, seconded by Pastor Kindon to approve a committee of Jack Ericksen, Ed Sinkovitz and Jody Hoffman to review and prioritize bills to be paid by the Borough. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.
- h. A motion was made by Mr. Sinkovitz, seconded by Mr. Ericksen to approve the use of the Community Park for the PA Wheels for Warriors Car Show on September 16, 2023 with a rain date of September 23, 2023. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.

**Correspondence:** Ms. Hoffman reported that Representative Barb Gleim had called giving an update on two items she has proposed. Both are in memory of SFC Randall Shugart. She would like the bridge at the mill be named after him and also a portion of PA 641 from Springfield to Green Hill. Both are in the preliminary stages with PennDOT.

**Executive Session:** A motion was made by Pastor Kindon, seconded by Mrs. Diehl at 7:55 PM to discuss financial and legal matters. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.

A motion was made by Mr. Sinkovitz, seconded by Mr. Darius to return to Regular Session at 9:29 PM. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes. Mr. McKnight stated that during the Executive Session, legal and financial information was discussed and no decisions were made.

b. A motion was made by Mrs. Diehl, seconded by Mr. Ericksen to approve the Council President to sign the Forensic and Consulting Accounting Services Engagement Letter with Boyer and Ritter contingent on the approval of the STMP grant from DCED, to be paid for with funds from the STMP Grant when those funds are released. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.

A motion was made by Mr. Sinkovitz, seconded by Mrs. Diehl to move forward with the Newville EDA on a lease transaction for 4 West Street. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.

**Adjournment:** With not further business to come before the Newville Borough Council, the meeting was adjourned at 9:33 PM on a motion by Mr. Sinkovitz, seconded by Mrs. Diehl. All were in favor. Motion carried with six (6) affirmative and zero (0) negative votes.

Minutes recorded by:

  
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Jody Hoffman Borough Secretary/Treasurer

**Upcoming Meetings:**

- Newville Borough Planning Commission March 8, 2023 at 7:00 PM

- Newville Borough EDA March 15, 2023 at 7:00 PM
- Newville Borough Water and Sewer Authority March 20, 2023 at 7:00 PM
- Newville Recreation Commission March 21, 2023 at 7:00 PM
- Newville Borough Council March 28, 2023 Work Session 6:00 PM – Regular Meeting at 7:00 PM