

TOWNSHIP OF DERRY

BOARD OF SUPERVISORS MEETING

Tuesday, June 14, 2011
600 Clearwater Road, Hershey, Pennsylvania 17033

CALL TO ORDER

The June 14, 2011 Township of Derry Board of Supervisors meeting was called to order at 8:05 p.m. by Chairman E. Christopher Abruzzo.

ROLL CALL – all present.

E. Christopher Abruzzo, Chairman
Sandy A. Ballard
Kelly C. Fedeli, Vice-Chairman
Marc A. Moyer, Secretary
Todd Pagliarulo

Also Present:

Matt Bonanno – HRG, Township Engineer
Thomas Clark – Assistant Director of Public Works
Barbara S. Ellis – Director of Hershey Public Library
Jill Horner – Assistant Township Manager
Matthew J. Mandia – Director of Parks and Recreation
James N. Negley - Township Manager/Township Treasurer
Patrick O'Rourke – Chief of Police
Edward L. Small – Director of Community Development
Scott Stein – President, Fire Company
Terry M. Weinhold – Manager of Accounts Payable & Accounts Receivable
Jon A. Yost - Township Solicitor
Brenda Van Deursen - Recorder

Public Present: John Clinton, Roger Bennett, Richard Gamble, Dennis Trout, Charleton Zimmerman, Elvira Ebling, Joe Woodward, Tom Waterlin, Sandy Waterlin

Press Present: Drew Weidman, The Sun and Elizabeth Krotz, Patriot News

Chairman Abruzzo advised that all public meetings are recorded for providing accurate minutes.

Chairman Abruzzo announced that the Board of Supervisors met in executive session to discuss land, legal, and personnel issues.

VISITOR/PUBLIC COMMENT:

Charleton Zimmerman, Palmdale – Mr. Zimmerman mentioned two concerns that developed this week. 1) There are two trailers with temporary electrical service set up at 1225 E. Derry Road on the north side which is zoned Village Residential. He wants to know what is going on because he is trying to sell his home.

The second issue is a 30-foot driveway on a vacant field next to the Travel Lodge at 1043 East Chocolate. Mr. Clark told him there is no permit needed through the Township because it is a state road. Mr. Small said he would look into it.

Tom Waterland, 2053 Colonial Way – Mr. Waterland has a storm drain in his yard and a conduit connecting into another storm drain. His yard is sinking. For two years he has been trying to figure out who is responsible for maintaining it. Both the Homeowners Association and Derry Township claim they are not responsible. He hired an attorney who told him that according to the bylaws, his responsibility is the ground up not the ground down. He has had conversations and written letters, but he is not getting any definitive, specific answers. His attorney wrote a letter August 2010 and he never received a response. Mr. Waterland said the people behind him had a similar problem and were told that Derry Township fixed it. If it is his responsibility, he needs to know how to fix the problem.

Chairman Abruzzo asked for copies of the letters. The Board of Supervisors did not have advance notice of this issue. He told Mr. Waterland that within the next week, he would have an answer from the Township indicating who is responsible for the problem.

Mgr. Negley said he did have a conversation with Mr. Waterland in April. He discussed this with staff and drafted a letter, but it was never sent. He apologized to Mr. Waterland. Mr. Yost is aware of this and he is working with Mr. Small. Chairman Abruzzo instructed them to find out who is responsible and send a letter to the Homeowners Association and copy to Mr. Waterland.

Rich Gamble – Mr. Gamble thanked Mr. Mandia for doing a wonderful job with the Memorial Day Parade.

Mr. Gamble mentioned another property on Hockersville Road that is falling apart. There are broken windows, hazardous materials, old lawn mowers, high weeds, etc. He also mentioned Derry Township's Hockersville property is becoming a mess. It is a traffic issue due to storms breaking down trees. Chairman Abruzzo asked Tom Clark to check the Township property to make sure the sight distance is clear.

APPROVAL OF MINUTES:

Chairman Abruzzo called for a motion to approve the Minutes of the May 24, 2011, Board of Supervisors Meeting. Supervisor Ballard made a motion to approve the Minutes as written. Supervisor Pagliarulo seconded. ***The motion carried, 5-0.***

NEW BUSINESS:

A1-4 Check Presentation from Pennsylvania American Water for HVFD Grant

Joe Woodward from the Pennsylvania American Water Company presented a grant award check to Scott Stein for the purchase of rescue equipment to operate in emergency water/ice rescue scenarios.

Mr. Woodward recognized the local volunteer fire departments throughout the state. In 2009, PA American Water started this program to support fire department grants as a way of honoring and helping out our local fire departments with some equipment issues. So far this year, 120 grants have been awarded throughout the state.

B1-2 Consideration of a Derry Township Bond Refinancing Opportunity.

James N. Negley - Township Manager/Township Treasurer - Derry Township has two bond notes that are outstanding and eligible for refinancing with interest rates substantially higher than current rates. The Township Series of 2006 is \$4,140,000 outstanding with existing interest rates ranging from 3.6% to 4.10%. The Township Series of 2007 is \$470,000 outstanding. This note was borrowed to pay off our loan to rehab a fire truck. The interest rate is 4.50%. Due to recent drops in interest rates, the Township can generate significant debt service savings by refinancing these notes. Based on current rates, the combined savings of \$165,000.00 would occur in 2012.

Lou Verdelli, RBC Capital Markets – Mr. Verdelli said the 2006 issue is the larger issue and is now approaching its call date (November 2011). We have to wait until we are within 90 days of the call date to refinance. It produces about \$140,000 of savings. The 2007 bond issue was a bank loan to pay for the rehabilitation of one of the fire trucks. There is only about \$470,000 outstanding, which will produce about \$25,000 of savings.

If the Board authorizes the Team to begin all the paperwork and start working on the credit rating update, we can lock in an interest rate and a final amount of savings at the July 26th meeting. On August 24, we can have settlement.

Supervisor Ballard confirmed with Mr. Verdelli that the combined savings of about \$165,000 in interest payments is net of the expenses. Chairman Abruzzo said we would be saving \$165,000 at next year's budget that would have gone to debt service payment.

Motion: A motion made by Vice-Chairman Fedeli and seconded by Supervisor Ballard that the Board of Supervisors of the Township of Derry authorizes the administration to work with RBC Capital Markets, as Bond Underwriter, and McNees Wallace & Nurick, LLC as Bond Counsel, to prepare the necessary documents for refinancing the Township's General Obligation Notes, Series of 2006 and General Obligation Notes, Series of 2007. The minimum amount of savings for the transaction to proceed is \$125,000. The motion is hereby approved. ***Motion carried, 5-0.***

C1-12 Second Amendment to the Intergovernmental Cooperation Agreement allocating Real Estate Taxes from an improved property lying partially in Dauphin and Lebanon Counties.

James N. Negley - Township Manager/Township Treasurer - Dauphin County, Lebanon County, Derry Township, North Londonderry Township, Derry Township School District, and Palmyra School District entered into an Intergovernmental Cooperation Agreement on November 14, 2000. This agreement addressed real estate allocation for the Eastern Distribution Center (EDC) on Lingle Avenue, which is partially in Dauphin and Lebanon Counties. The actual structure at that time had approximately 65% in Derry Township, Dauphin County and 35% in North Londonderry Township, Lebanon County. On July 8, 2008, there was an addition constructed and it basically remained in Derry Township, but the ratio remained the same. On May 23, 2010, the Dauphin County Commissioners ratified the Second Amendment. The new agreement

recognizes that new improvements have extended further into Lebanon County; therefore the new ratio is 54% for Dauphin County and 46% for Lebanon County. However, because the assessed evaluation of the property increased, the 54% generates more tax dollars than the 65% did. The assessment for the Hershey Foods Corporation warehouse, for Derry Township taxation purposes, will increase from \$29,994,900 to \$30,158,700. For taxing purposes, our millage at 1.0966 mills will result in \$33,072 annually which is up from \$32,892.

Motion: A motion made by Supervisor Pagliarulo and seconded by Vice-Chairman Fedeli that the Second Amendment to the Intergovernmental Cooperation Agreement allocating Real Estate Taxes from an improved property lying partially in Dauphin and Lebanon County, is hereby approved. ***Motion carried, 5-0.***

D1-3 Consideration of adoption of Resolution No. 1306 to revise the Derry Township Sewage Facilities Plan for the proposed conversion of the former Milton Hershey School Glenview Student Home, located at 10 Boathouse Road, into an apartment building.

Edward Small – Director of Community Development – The resolution would enable the sewage facilities to proceed. The overall project is the conversion of a former student home to a four-unit, three bedroom apartment building. It is necessary according to DEP to revise our Sewage Facilities Plan because of their internal rules. It had to do with the fact that the system that went in at the time of repair in 1990 required that since best technical guidance was applied to that repair, it disabled any future opportunity to simply expand that system. There was some relief to vary or reduce the severity of some of the standards. It was a minor one, but it had to do with the depth from the bottom of the system down to the limiting zone of only 1 inch where normally 20 inches are required.

The demand for the proposed four-unit apartment building is 1,600 gallons per day. The second system will have a capacity to serve one of the three bedroom units – the other three will flow into the existing system. Testing was performed and found to be successful to address the additional 400 gallons per day.

Motion: A motion made by Supervisor Ballard and seconded by Supervisor Moyer that Resolution No. 1306 to revise the Township’s Sewage Facilities Plan to accommodate the conversion of the Glenview student home, is hereby approved. ***Motion carried, 5-0.***

E1-5 Consideration of the release of one of two performance security instruments for the Preliminary/Final Land Development Plan for Site Improvements at Derry Township School District Campus, Plat No. 1191.

Edward L. Small – Director of Community Development - Two letters of credit were provided for Plat No. 1191. One was for most of the improvements and the second was for a separate parking lot. The large one was reduced by 90%. They are finished except for the minor issues of removing some Filter Soxx. Because some of the work that was covered is in the right of way of the road, there is a requirement for maintenance security in the amount of \$2,917.05. Since the cancellation date is eminent, they are preparing to cover this with cash security. The other letter will automatically renew.

Motion: A motion made by Supervisor Ballard and seconded by Supervisor Pagliarulo that the Township hereby releases \$104,872.55, the current balance of PNC Letter of Credit No. 12502827-00-000 supplied as performance security for the Preliminary/Final Land Development Plan for Site Improvements at Derry Township School District Campus, Plat #1191, provided that the developer removes the remaining Filter Soxx; supplies maintenance security of \$2,917.05 in acceptable form; and executes the standard Maintenance Security Agreement; all of which must be completed by June 20, 2011, or, in the alternative, that staff is authorized to draw the same amount from the Letter of Credit to hold pending completion of these contingencies, is hereby approved. **Motion carried, 5-0.**

F1 Participation in the 2012 Dauphin County TreeVitalize Grant Program.

Jill Horner – Assistant Township Manager – Last year the Township and the Environmental Action Committee was successful in receiving a \$4,000 grant from the Dauphin County TreeVitalize program. Trees were offered to residents for a \$10 registration fee. 40 trees were purchased and planted. More trees were requested than the program could provide. They would like to offer the program again in 2012.

Motion: A motion made by Vice-Chairman Fedeli and seconded by Chairman Abruzzo that the Township of Derry will work with the Environmental Advisory Council to submit an application to the Dauphin County TreeVitalize Program and if awarded funds, will oversee the program, providing trees to residents, is hereby approved. **Motion carried, 5-0.**

G1-5 Permission to hold a small fireworks display at 1276 Auburn Avenue on July 4, or a rain date of July 5, 2011.

James N. Negley - Township Manager/Township Treasurer - A request was received from Craig Erwin, 1276 Auburn Avenue, to hold a small fireworks display at his residence on July 4, 2011, with a rain date of July 5th. The Township has been named as an additional insured on a Certificate of Liability policy. This will be the fourth year for this event.

Motion: A motion made by Supervisor Pagliarulo and seconded by Supervisor Moyer that Craig Erwin, 1276 Auburn Avenue, Township of Derry, is authorized to display fireworks on July 4th at approximately 8:00 PM, or a rain date of July 5, 2011, at approximately 8:00 PM, is hereby approved. **Motion carried, 5-0.**

CORRESPONDENCE – No correspondence to report.

BOARD/COMMITTEE INFORMATION – Chairman Abruzzo congratulated Matt Mandia on a great Memorial Day Parade. He also thanked all the other Township staff that assisted with the event.

REPORTS

Patrick O'Rourke – Chief of Police – Chief O'Rourke reported they participated in the Annual Children's Festival, which was a huge success.

Scott Stein – President, Fire Company- The Fire Department has continued to work on the progress of the new Engine 48. As soon as it is ready to put in service, he will have it available for view by the Board and the public.

Thomas Clark – Director of Public Works – Mr. Clark reported they have been working on storm damage areas. The road recycling will start in a few days on East Caracas. The handicap ramps have also been installed in all the specified intersections.

Supervisor Ballard mentioned there was a good turnout at a recent recycling program. Mr. Clark was present as well as Supervisor Pagliarulo. We receive a grant of about \$200,000 each year for recycling.

Barbara Ellis, Hershey Public Library – Ms. Ellis reported there are well over 700 people registered for the Summer Reading Program, which includes adults, teens, and children. The Library did participate in the Children's Festival with the Police Department recently.

Terry M. Weinhold – Manager of Accounts Payable & Accounts Receivable – Ms. Weinhold reported five months in and both revenues and expenses are coming in under budget. She should have the reports available to the Board by the end of the day tomorrow.

Matthew J. Mandia – Director of Parks and Recreation – Mr. Mandia thanked Mr. Gamble for his comments as well as all the departments and volunteers who provided assistance for the Memorial Day events. He wanted to recognize Zach Jackson, Asst. Director of Parks & Rec who did the majority of the organizing of the parade and the ceremony.

Mr. Mandia thanked Chairman Abruzzo for his outstanding job as emcee and Chief O'Rourke for his performance on the bagpipes during the ceremony.

Mr. Mandia reported they hosted the Hershey Track & Field Meet on June 4th. There were 60 participants under the age of 14 at the Hershey High School Track. On June 7th, they also hosted the Hershey High School All Night Graduation Party at the Recreation Center.

The Dome and pool officially opened on June 8th. Both memberships and daily fees are above last year's levels.

This past weekend we held our first of three drive-in movies at Shank Park. There were over 400 in attendance.

Summer Day Camp began June 13th with 247 registrants.

Matt Bonanno, Township Engineer – Mr. Bonanno announced that we received the DEP permit for the stormwater project. He thanked Supervisor Fedeli for her help in getting the permit. They publicly advertised the project for rebid on June 3rd and again on June 8th. With the initial bid, there were eight contractors that picked up bid documents. With the rebid, we now have 16 contractors that purchased the bidding documents. Eleven of the 16 are new.

Supervisor Moyer asked if he was using electronic bidding room for that. Mr. Bonanno said they weren't. The bidding documents can be purchased on a CD, but they are not online.

Chairman Abruzzo said Charleton Zimmerman called about a light malfunction at Cocoa & Chocolate. At some period of time, it was out of service. Fortunately, there was no major traffic issue. If there is a malfunction, we need to be prepared to respond very quickly in getting police to direct traffic.

Mgr. Negley responded that Mr. Clark had been working on it. Mr. Clark said he had emergency contact information for the contractors; however, when he called he received their voice mails. He will get this straightened out.

Jill Horner – Assistant Township Manager – Ms. Horner shared that the E-news will go out next Monday and if there is anything the Board wants included they should let her know.

James N. Negley - Township Manager/Township Treasurer – Mgr. Negley reported he met with the new Superintendent to discuss ways to continue the cooperative agreement.

APPROVAL OF ACCOUNTS PAYABLE (\$291,438.31) AND PAYROLL (\$599,279.54).
Supervisor Ballard moved to approve accounts payable in the amount of \$291,438.31 and payroll in the amount of \$599,279.54. Supervisor Moyer seconded. ***The motion carried, 5-0.***

VISITOR/PUBLIC COMMENTS – Rich Gamble shared that he attended the memorial service for Frank A. Wise. He was one of the first members of our community who died in WWII. His remains were just located after 68 years and sent back to the Hershey cemetery with his family.

Chairman Abruzzo mentioned that Lou Verdelli was related to Mr. Wise. He commended Mr. Gamble for his eloquent comments at the memorial service.

ADJOURNMENT

Supervisor Moyer moved to adjourn the meeting at 8:55 p.m. Supervisor Pagliarulo seconded. ***The motion carried, 5-0.***

SUBMITTED BY:

Marc A. Moyer
Township Secretary

Brenda Van Deursen
Recording Secretary