

**TOWNSHIP OF DERRY**  
**BOARD OF SUPERVISORS**  
**PUBLIC INFORMATION MEETING MINUTES**  
**OCTOBER 16, 2017 – 5:30 PM**

**CALL TO ORDER**

Chairman John W. Foley, Jr., called the October 16, 2017 Public Information Meeting of the Township of Derry Board of Supervisors to order at 5:30 p.m. in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA.

**IN ATTENDANCE FROM TOWNSHIP OF DERRY:**

**SUPERVISORS**

John W. Foley, Jr., Chairman  
Susan M. Cort, Vice Chairman  
Marc A. Moyer  
Matthew A. Weir  
Justin C. Engle

**ALSO PRESENT:**

James Negley, Township Manager and Treasurer  
Jill Henry, Assistant Township Manager  
Jon Yost, Township Solicitor  
Matthew Mandia, Director of Recreation and Parks  
Zack Jackson, Assistant Director of Recreation and Parks

**Public Attendance:**

Karen Tropp, Jalek Barette, Ted May, Elaine Maloy, Jack Bogetto, Ann Barnhart-Mazur, Betsy Kopec, Brenda Berman, Shel Parker, Bill Woodring, Judy Woodring, Greg Fastrich, Jack Storm, Mark Brace, Dale Holte, Rich Gamble, Robert Kline, Gregg Cook, Melissa Weigle, Linda Pae, Sheri Fackler, Tim Dugan, Connie Wagner, Jeff King, Jay Ziegler, Chris Abruzzo, Kay Marshall, Rick Zmuda, John Rita, Janet Maynard, Jim Maynard, Kevin Ferguson, Chris Lutterell, Mark Dunsh, Angela Woronko, Rob Woronko, Kathleen Ryland, Ken Ryland, Clair Ryland, Ty Etsy, Julie Neal, Dawn Dillon, Emily Clough, Crystal Clough, Erin Peda, Sandy Cappelli, Christ Drexle, Lewis Shaw III, Randy Fackler, Jason Reifsnyder, and Ally Weller.

**INTRODUCTION:**

Mr. Mandia introduced Mr. Ballard from Ballard & King Associates, who completed the analysis. He introduced Mr. Greg Koussis from Capital Construction who will working with the construction schedule and Mr. Zach Jackson, Assistant Recreation Director. He stated this meeting is being recorded and will be put on the Township's website.

He spoke about the beginning of the planning process and the stakeholders. He stated in 2015, the Township hired Ballard and Associates to create a market analysis. In 2016, a conceptual plan was prepared based on the analysis. Ballard & King was engaged this year to complete an operations plan. He introduced Mr. Ballard and spoke about his background and work experience.

Mr. Ballard spoke about his firm and how they work exclusively with recreation and parks operations. He discussed their experience with aquatic programs. He stated they looked at two service areas during their market analysis. Below is the information they discussed about the two areas:

- Primary Service Area
  - Derry Township, Palmyra, and Hummelstown
  - Population of approximately 64,000 with 25,700 households based on the 2015 census  
These number are projected to increase.
- Secondary Service Area
  - Located to the east to the south to the outskirts of Harrisburg to the west of I-81
  - They will come and use the facility for special events, but not for daily use of the facility.

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- Population of approximately 267,000 with 107,800 households based on the 2015 census  
These number are projected to increase.

These numbers will have a direct impact on the potential use of the facilities. He discussed the primary area median age, which will have an impact on who will be using the facilities. He stated the concept plan created by Kimmel Bogrette helped with their analysis. Based on the drawing they created operations assumptions. He stated the assumptions are for the Recreation Center only and do not involve any parks or other Township property. There are four options they reviewed and below are those options:

1. Base Facility + 25 Meter Swimming = 89,000 square feet plus outdoor pool (no fitness)
2. Base + 50 Meter Swimming area = 104,000 square feet plus outdoor pool (no fitness)
3. Base + Fitness = 89,000 square feet plus outdoor pool
4. Base + Fitness +50 Meter

Operations Assumptions for Costs:

- The Senior programs and services were included in the options, but their lease and expenses were not included in the analysis.
- The first year of operation for the building would be 2020 and most of the building maintenance would be under warranty. The budget presents the second full year of operations.
- Current providers of recreation were included in the study.
- The center would be operated by Derry Township and will be contract cleaned.
- Projected conservative approach on revenue based on current and past revenues. Once the final design is completed, these assumptions should be updated.
- Based on the Recreation Center being opened 7 days a week for 102 hours a week, the outdoor pool would also be open 7 days a week for 80 hours a week in season.
- Created two fee schedules ó one with fitness and one without fitness. The fee schedule included residential versus non-residential and different levels of membership.

Operational Analysis				
	Base Facility 89,000 SF	w/ 50 meter 104,000 SF	w/Fitness 89,000SF	Fitness & 50 meters
Expenses	\$2,771,681	\$3,025,911	\$3,234,027	\$3,488,257
Revenues	\$1,990,326	\$2,117,932	\$2,830,993	\$2,958,599
Difference	(\$781,355)	(\$907,979)	(\$403,035)	(\$529,658)
Recovery	72%	70%	88%	85%
Construction Analysis				
Construction Cost	\$23,390,646	\$27,294,520	\$23,390,646	\$27,294,520
Design Fees	\$2,220,170	\$2,300,170	\$2,220,170	\$2,300,170
Other soft costs	\$1,233,237	\$1,333,237	\$1,489,237	\$1,589,237
Total construction	\$26,824,053	\$30,927,927	\$27,080,053	\$31,183,927

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He discussed each of the options for the Recreation Center. Mr. Gregg Koussis spoke about the construction costs and the flexibility there is based on materials and ways to decrease costs during the construction process. Mr. Mandia spoke about potential funding for the center is a capital campaign, bonds, grants and additional resources.

**COMMENTS FROM ELECTED OFFICIALS**

Vice Chairwoman Cort thanked Staff and the consultants for their hard work on this presentation. She asked Mr. Mandia to speak about the projected losses and how they are normal in these situations. Mr. Mandia stated in 1993, there was an operating deficit of around \$800,000. They reduced it to around \$200,000 by 1995. Currently, they are operating at around a \$713,000 deficit for 2017.

Mr. Moyer stated an operating deficit of approximately \$800,000 is not a good thing. They received an operational analysis indicating an aggressive approach to estimating revenue and Mr. Ballard stated the operating revenues were conservative. Mr. Ballard stated the first approach was aggressive based on past revenue, but changed to a conservative approach. Supervisor Moyer asked him about his experience with change orders and design changes with a large project. Mr. Koussis stated there are contingency costs built into the estimates construction and is the ceiling cost.

Vice Chairwoman Cort spoke about many of the services offered to the Community that operate in a deficit like the Library and the Recreation Center. Supervisor Moyer asked if an outside center opened with swimming would it impact the revenues of the center. Mr. Ballard stated it depends upon size, charges, location and other variables that could impact the facility revenues. Supervisor Moyer asked about difference between residents and non-residents and the potential tax increase and asked a specific price point where a non-resident wouldn't buy the pass. Mr. Ballard stated the non-resident price is market driven, about 25%, and he believes this revenue helps with the deficit. He spoke about being careful not to over price the non-resident usage. Vice Chairwoman Cort stated they haven't said there will be a tax increase and they will be looking at other funding resources.

Supervisor Moyer spoke about the potential debt of this project and believes there will be a tax increase. He asked about the assumption of revenues. He asked about the source materials they used for the projects. Mr. Ballard stated they worked with staff and the current budget and looked at options and forecasts. They reviewed the market and utilization rates and used their expertise and the data they have for the 200 centers they have worked on. Supervisor Moyer asked if they reviewed the local facilities. Mr. Ballard stated they use norms and spoke about the YMCA and Friendship Center. Supervisor Moyer stated he has additional questions but will wait.

Supervisor Weir asked about other communities that do projects like this one. Mr. Ballard discussed the difference in recreation in the communities and the sizes of them. Supervisor Engle spoke about Power Train and how it needs to be considered how this would affect them. Supervisor Moyer said he isn't sure about competing against these types of facilities. Mr. Mandia spoke about not including machines, but offering classes.

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**PUBLIC COMMENTS**

Mr. Gamble stated the presentation was good and had a lot of information. He stated he is concerned about taxes and asked about the Hershey Company. He stated the facility is for the community. He asked about partnering with other companies to maybe bring it in for less of a cost.

Mr. Greg Cook, Sports Authority, spoke about being in charge of getting sporting events in the County. He spoke about the recent events that were held in the county. All the visitors who come for these events use the local businesses for lodging and other services. They would be in favor of the 50-meter pool and it would be well worth the cost. This pool could be used for championships events for the state, which are held at other facilities. He spoke about other swimming events the pool could be used for. This area is known for sporting events. He thanked the Board for their time.

Mr. Lutterell asked Mr. Ballard about the recovery rates compared with other facilities. Mr. Ballard stated facilities with fitness outperform facilities without them consistently. He spoke about the size of the facilities and how pools drive down the recovery because of the costs associated with pools. He stated they were conservative on revenue and aggressive on the expense side. Mr. Lutterell stated there are people moving out of the area and Pennsylvania. He asked them to think about the makeup of the community and what services will be needed down the road with families and or elderly population. He expressed concern about the interaction between the Board members during their discussion.

Mr. Kevin Fergusson spoke about using the facility with his children in the winter. He asked how Ballard came up with the recovery rate and how there isn't competition in the area with pools. He isn't sure how the community would increase access with a 10-lane pool. He goes elsewhere for swimming because of access issues. Mr. Ballard discussed their experience with swimming and the higher baseline costs for a large pool. These costs reduce the recovery costs. Mr. Fergusson believes a 50-meter pool will provide more access and benefit the public.

Mr. Kevin Ryland, 1760 Old Trail Road, stated he recently moved to Hershey because of their swimming program. He stated there are ways to recover the monies including swimming teams, competition, and other events. He believes a 50-meter pool will serve the public better. He asked about cost savings with smart technology and heating. Mr. Ballard stated geo-thermal and other options haven't been discussed. Mr. Koussis stated they will look at heating option and other smart options as they get further into the design.

Mr. Jack Storm stated he represents the senior citizens. He stated they have done a great job on this task. He spoke about what a great job Mr. Mandia and the Board are doing. He stated we need to work together with the Board and the community. He believes there are other ways to make this project work financially. He spoke about doing this project right as it will be here for a long time.

Mrs. Sheri Fackler thanked everyone for working on this plan. She discussed the older facility and stated everyone is working together for a new facility. She knows it is a big price tag, but they need to know what is the right building for the elderly, kids after school, recreational swimming and other activities. She believes the 50-meter pool is needed to meet the needs and to add additional activities including water polo. She knows it is very expensive and she spoke about the health benefits of swimming.

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Mr. Greg Fastrich has been a swimming coach with the Derry Township School District for 20 years. He spoke about water events growing including synchronized swimming, diving and water polo. He stated the 50-meter is needed and would open more time for swimming events. He has spoken to other areas willing to have competitions here because of the Hershey attractions and how the community could benefit from it. He spoke about the health benefits of swimming. He stated Power Train could go away and if it did we would need a fitness area for the future. This center needs to last for 50 years.

Mrs. Connie Wagner spoke about her experience with the Recreation Center. She appreciates the hard questions asked by the Board. She spoke about being on a fixed income and she understands the events they would like to have but is concerned about tax increases.

Mr. Dave Weaver asked what the current numbers for the recreation center versus the projected, the senior center, and why debt services aren't listed in the analysis. Mr. Ballard stated the current facility and future with revenue numbers can't be compared because the future center would be larger. He stated there is no revenue for the senior center in the analysis. Mr. Mandia stated the final construction costs are based on the design chosen and then they can look at funding sources and determine the debt services. Mr. Weaver spoke about having the swimming organization sell shares to help fund the swimming options.

Mrs. Christine Drexle stated she has been fighting for this center for seven years. She spoke about the center being built 54 years ago and it was state of the art. She has seen the community come together on other things and believes everyone needs to come together because it is the right thing to do. She stated the Board has taken a leap of faith about trying to go forward on this project. She believes this project needs to go forward and thanked the Board for believing in her cause for a new recreation center.

**ADJOURNMENT:**

Chairman Foley adjourned the meeting at 7:35 p.m.

**SUBMITTED BY:**

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Justin C. Engle  
Township Secretary