

**TOWNSHIP OF DERRY
BOARD OF SUPERVISORS MEETING**

Tuesday, November 26, 2013
600 Clearwater Road, Hershey, Pennsylvania 17033

CALL TO ORDER

The November 26, 2013 Township of Derry Board of Supervisors meeting was called to order at 7:10 p.m. by E. Christopher Abruzzo, Chairman.

ROLL CALL

Supervisors Present:

E. Christopher Abruzzo, Chairman
Sandy A. Ballard
Kelly C. Fedeli, Vice-Chairman
John Foley, Jr.
Marc A. Moyer, Secretary

Also Present:

Matt Bonanno, HRG Engineer
Thomas R. Clark, Director of Public Works
Barbara S. Ellis, Director of Hershey Public Library
Charles W. Emerick, Director of Community Development
Cheryl L. Lontz, Manager of Payroll & Employee Benefits
Matt J. Mandia, Director of Parks and Recreation
James N. Negley, Township Manager/Township Treasurer
Patrick O'Rourke, Chief of Police
Jon A. Yost, Township Solicitor
Brenda Van Deursen, Recorder

Public Present: Elvira Ebling, Kenny Hinebaugh, Justin Engle, Matt Weir, Jessica Valen

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.

OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

No one came forward.

APPROVAL OF MINUTES

Chairman Abruzzo called for a motion to approve the Minutes of the November 12, 2013 Board of Supervisors meeting. Supervisor Ballard made a motion to approve the Minutes. Vice-Chairman Fedeli seconded. *The motion carried, 5-yes 0-no*

NEW BUSINESS

A1-11 Consideration to enter into a contract for health benefits and broker services for calendar year 2014.

Cheryl L. Lontz, Manager of Payroll & Employee Benefits - A request for proposal for health insurance benefits and broker services was sent to three insurance brokers. The Leff Company which is our current broker, Benecon who is represented by Robin Richardson and Gallagher Benefit Services, Inc., represented by Cindy Nimitz, all responded to the RFP. A review of the RFP was conducted and an analysis and summary prepared.

The administrative portion of the RFPs was similar from the brokers. The fixed costs proposals ranged from \$249,480 to \$277,165.56. The annual expected cost proposals ranged from \$1,415,933.36 to \$1,537,038.36. The annual maximum claim cost proposals ranged from \$1,656,525.36 to \$1,833,676. Both claim proposals include fixed costs.

Discussion: Chairman Abruzzo stated that most of what is in the proposals is consistent with what the Board reviewed several weeks ago.

Vice-Chairman Fedeli asked Ms. Lontz if it was concerning that Benecon is the only provider that does not allow pay as you go basis with respect to claims payment. Ms. Lontz said it did not concern her because they will give us a fixed amount each month based on what their maximum claims and fixed costs are. At the end of the year if our claims have not been what they expected, we will be refunded that money.

Supervisor Moyer said the type of plan contemplated by Benecon will enable us to budget a known amount per month. Ms. Lontz said that is correct, but you cannot predict what the claims will be. Ms. Lontz stated she would be comfortable with any of the providers.

Supervisor Moyer asked what will be involved if we decide to change to a different carrier. Ms. Lontz said if we were to switch to a different company, she would need enrollment forms from all the full-time employees. The health care law that was passed several years ago requires that the insurance company for self-insured entities has to maintain the bank account. Supervisor Moyer asked if that would require the Township to adopt a different database, different licenses for software, or any other additional administrative work. Ms. Lontz said the health care is not maintained on any type of a database internally. The bank accounts we already have set up can continue to be used for the medical insurance funding. There might be a small fee associated with new enrollment cards.

Supervisor Moyer asked Ms. Lontz if she foresees any difficulties either administratively or any hardship to our employees if we change to a different carrier. Ms. Lontz responded that she does not believe there will be any problems. We have done this before with disability insurances where we have had to get new enrollment forms and the employees are rather quick in getting them back.

Supervisor Moyer referred to Benecon's broker fees and asked if that is forecasted to be adjusted upwards in the future. Ms. Lontz said they did not tell her if it would go up or down. The way they look at the plan and determine the fees is all based on our history. Supervisor Moyer asked the same for the Gallagher broker fees. Ms. Lontz said they did not indicate if it would go up or down, but they did agree to lower it a little bit for 2015 and 2016.

Supervisor Moyer referred to the maximum liability and maximum cost, which is a number that is fairly fixed. In terms of our liability and exposure, it seems there is at least a six figure reduction in the Township's exposure by switching to Benecon. Ms. Lontz said that is correct. The annual maximum cost is the most we would pay in one year. That is not to say if we have a bad year, they would adjust it up the next year. But if we don't use it, it will be refunded.

Vice-Chairman Fedeli asked if Ms. Lontz is concerned that Gallagher would assign a team to us instead of a designated claim representative like Benecon would assign. Ms. Lontz said as long as they are all on the same page it does not concern her.

Vice-Chairman Fedeli mentioned the disruption reports which are important in terms of keeping consistent providers for the staff. There is very little difference between Benecon and Gallagher. Ms. Lontz said most of the doctors that were on the disruption report were chiropractors which our plan covers regardless if you are in the network or not.

Supervisor Moyer asked if there is any quantitative difference between Benecon and Gallagher in terms of municipal experience. Ms. Lontz said when looking at the broker fees, the RFP did request their history as far as municipal clients went. She will check for municipal experience and provide the information to the Board.

Chairman Abruzzo said all three brokers have substantially the same claims and appeals procedure. Sigma and Blue Cross have an average claim turnaround of 7 to 10 days whereas Highmark/Gallagher has an average claim turnaround of 4.9 days. Chairman Abruzzo said we have had experience where the lowest bidders we get does not necessarily correlate to the satisfaction we are looking for. The overall amount is fairly equal, but he is looking at performance. He wonders if the employees care about the turnaround time and what is our current turnaround rate. Ms. Lontz said in most cases the turnaround time depends on when the claim is submitted from the carrier. There have been concerns in the past why a claim has not been paid and it is usually that the carrier has not submitted it. The turnaround time with Loomis right now is about 7 to 10 days. The complaint she receives from the employees is why it was not paid and more times than not it turns out the claim was submitted late by the carrier. The employees consider the turnaround time a factor when the money is due to them.

Supervisor Ballard asked Ms. Lontz if we delayed this to the next meeting will that give her enough time. Ms. Lontz responded the next meeting would be the very latest.

Supervisor Foley asked if the information we are going to obtain will have a material impact on the decision making. Supervisor Moyer said the information that is outstanding will be the municipal experience and that information is important for the Board to receive in order to make a decision.

Motion: A motion made by Chairman Abruzzo and seconded by Supervisor Foley to table this agenda item until the next Board of Supervisor's meeting with the condition that we get the additional information regarding the public sector experience of these companies, is hereby approved. *The motion carried, 5-yes 0-no.*

B1-5 Waiver from filing a land development plan as requested by the Hershey Company.

Charles W. Emerick, Director of Community Development – The Hershey Company desires to construct five small buildings for use by contractors for maintenance purposes, which would replace the current job trailers with something more permanent. The buildings will be used as storage areas and workshops. They will not be served by water or sewer facilities. The total area of the buildings is less than 3,250 square feet. The project will not include addition of new roads, sidewalks, employees or parking areas; therefore, no new traffic trips are anticipated. There is a section in our subdivision and land development ordinance that allows us to exempt additions to principal buildings of less than 2,500 square feet. In this case, it seems more appropriate to take grant a waiver.

Chairman Abruzzo asked what will be stored in the buildings. Kenny Hinebaugh, from Evans Engineering, said it is for any of the contractors that are on site to store their tools and materials, and to put some of their

snow removal equipment. They are trying to condense the trailers that are out there into a more central and permanent location.

Motion: A motion made by Supervisor Foley and seconded by Vice-Chairman Fedeli that a waiver be granted from the Derry Township Subdivision and Land Development Ordinance to not require the Hershey Company to file a land development plan with Derry Township for the construction of contractor buildings at the West Hershey Plant, is hereby approved. *The motion carried, 5-yes 0-no.*

C1-4 Consideration to nominate a Representative to serve on the Tri-County Regional Planning Commission.

James N. Negley, Township Manager/Township Treasurer – The Board of Supervisors may nominate a Member to be considered as this area’s Representative on the Tri-County Planning Commission. The area includes Derry Township, Conewago Township, East Hanover Township, Hummelstown Borough, Londonderry Township, Royalton Borough, South Hanover Township, and West Hanover Township. Currently, this area is represented by Mike Spivey of South Hanover Township. The Tri-County Planning Commission will vote on the person nominated. Supervisor Ballard noted in correspondence from Tri-County Regional Planning Commission that Mike Spivey attended 0 of 7 meetings.

Motion: A motion made by Supervisor Moyer and seconded by Vice-Chairman Fedeli to nominate John Foley as Derry Township’s nominee to serve on the Tri-County Regional Planning Commission, is hereby approved. *The motion carried, 5-yes 0-no.*

D1-2 Permission to hold fireworks display for the Ninth Annual New Year Eve’s Celebration.

James N. Negley, Township Manager/Township Treasurer – The Community Celebration Committee is requesting the use of fireworks to celebrate the New Year. This will be held on January 1, 2014 until approximately 1:00 AM. We received a certificate of insurance covering the event.

Motion: A motion made by Supervisor Ballard and seconded by Supervisor Foley that the Community Celebration Committee’s request to stage a fireworks display at 12:01 AM, January 1, 2014, is hereby approved. *The motion carried, 5-yes 0-no.*

CORRESPONDENCE – There was no correspondence to report.

BOARD/COMMITTEE INFORMATION – Supervisor Ballard reported that the Tri-County Planning Commission did grant the regional bike connects grant that we requested. We are working with the eight municipalities. A meeting was held a few weeks ago to review the draft RFP. The money from the grant will help to hire a consultant to look at links and connections with regional bike transportation. Our RFP will go out December 2 and be due January 2. Mr. Emerick said the Board already authorized us to pursue the grant and to move forward with it. After we have selected the consultant, the Board will need to enter into an agreement with Tri-County Planning.

REPORTS

Patrick O’Rourke, Chief of Police – Chief O’Rourke asked everyone be observant, put your cell phones down and your seat belts on especially during the holiday season. They received external funding for extra DUI enforcement throughout the holiday and over the weekend.

Thomas Clark, Director of Public Works - Mr. Clark reported they are pretty well caught up on leaf collection going into the holiday weekend. They will start flipping the fleet over for salt.

Cheryl L. Lontz, Manager of Payroll & Employee Benefits – Ms. Lontz reported that the finances are looking good for the Township.

Matt Mandia, Director of Parks & Recreation – Mr. Mandia reported they have been working with several playground manufacturers in preparation for the replacement of the Cocoa Castle structure in front of the Recreation Center. They are looking at new designs and materials and what is and isn't working. They have done two site visits and will probably go on a couple more to make sure that they are doing a thorough job in evaluating what is out there. The equipment is not a cheap investment. Once they finalize the designs, they will come back through the Advisory Board and the Board of Supervisors for an approval of that structure. They would like to keep the same character of what Cocoa Castle looked like because it is such a staple in the community. At that point, they can get some budget numbers from the manufacturer and then formulate their funding and fundraising plan.

Supervisor Moyer asked if the equipment is in that bad of repair that we need to proceed. Mr. Mandia said the castle is 20 years old this year and it was all pressure treated wood. They took out about a third of it last year. It is deteriorating, splinters, and the wood is cracking around the bolts.

Supervisor Moyer said other communities organized and built structures based on people offering their help and donations. Is there any thought to launch a new capital campaign not only for monetary capital, but also labor capital. Mr. Mandia said they are currently having discussions regarding this.

Matt Bonanno, HRG Township Engineer – Mr. Bonanno reported that all of the pipe is installed on the stormwater projects. They are finishing up the curbing on Sand Hill Road. The majority of the base paving is in. Most of the wearing is done through Mill Street, across Hockersville Road, through Cherry and up past Country Meadows. They fixed the sink hole on Hillcrest and put base paving on that. They started to do a massive cleanup of the entire area of all the sites. The landscaper put in new stakes along the stream channel on Cocoa. They are projecting to be done by the end of December with the majority of the work, but will have to come back and reseed things in the spring.

Charles W. Emerick, Director of Community Development – Mr. Emerick said they put out an RFP for the Comprehensive Plan to finish it up and move on the zoning ordinance. They received 13 applicants and narrowed it down to 3 applicants for interviews. The interviews are scheduled for December 4.

James N. Negley, Township Manager/Township Treasurer – Manager Negley shared that Asst. Mgr. Henry took a vacation day. He reminded everyone that next Tuesday is the next Board of Supervisors meeting.

APPROVAL OF ACCOUNTS PAYABLE (\$601,828.40) AND PAYROLL (\$308,892.02).

Supervisor Ballard moved to approve accounts payable in the amount of \$601,828.40 and payroll in the amount of \$308,892.02. Vice-Chairman Fedeli seconded. *The motion carried, 5-yes 0-no.*

OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

No one came forward.

ADJOURNMENT

Supervisor Foley moved to adjourn the meeting at 7:45 p.m. Supervisor Ballard seconded. *The motion carried, 5-yes 0-no.*

SUBMITTED BY:

Marc A. Moyer
Township Secretary

Brenda Van Deursen
Recording Secretary