

TOWNSHIP OF DERRY
BOARD OF SUPERVISORS MEETING
Tuesday, June 8, 2010
600 Clearwater Road, Hershey, Pennsylvania 17033

CALL TO ORDER

The June 8, 2010 Township of Derry Board of Supervisors meeting was called to order at 7:20 p.m. by Chairman Michael H. W. Pries.

ROLL CALL – *All present*

E. Christopher Abruzzo, Vice-Chairman
Sandy A. Ballard
Kelly C. Fedeli, Secretary
Marc A. Moyer
Michael H. W. Pries, Chairman

Also Present:

Matt Bonanno – HRG, Township Engineer
Thomas R. Clark – Director, Public Works
Barbara S. Ellis – Director, Hershey Public Library
Charles Emerick - Assistant Director of Community Development
Marie Sirkot – Administrative Assistant to Township Manager, Negley
Matthew J. Mandia – Director of Parks and Recreation
William D. Smith – Chief of Police Department
Terry M. Weinhold – Manager of Accounts Payable & Accounts Receivable
Jon A. Yost - Township Solicitor
Brenda Van Deursen - Recorder

Public Present: Charleton Zimmerman, Bruce Hancock, Jim Ingalzo, Matt Weir, Rich Gamble

Press Present: Drew Weidman, The Sun

Executive Session:

Chairman Pries announced that the Board of Supervisors met in executive session prior to this meeting to discuss land, legal, and personnel issues followed by a public meeting.

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

VISITOR/PUBLIC COMMENT

No one came forward.

APPROVAL OF MINUTES:

Chairman Pries called for a motion to approve the Minutes of the May 25, 2010 Board of Supervisors Meeting. Vice-Chairman Abruzzo made a motion to approve the Minutes as written. Supervisor Ballard seconded. ***The motion carried, 5-0.***

NEW BUSINESS:

A1-19 Discussion of an opportunity for the Township to consider an Interest Rate Swap.

Lou Verdelli, Managing Director, RBC Capital Markets

Mr. Verdelli gave a brief background of the situation at Bethlehem School District. In a report by the Auditor General, it stated local government and school districts should be banned from utilizing these types of financial contracts. What has transpired since then was legislation introduced by Senator Boscola proposing an outright ban on these contracts. Both the Senate and the House Finance Committees held hearings over the course of the last three or four months. They asked representatives of the School Board's Association, the Auditor General, a Penn State Professor and various industry participants to talk about what went wrong at Bethlehem, what are all the good stories, etc. One of the State Representatives in Lancaster is going to introduce legislation that would add some restrictions to the existing law (Act 23) regarding how much of these types of contracts local governments and schools can do. It would also put safe guards in place in terms of the qualifications of the financial advisor that is being used. This legislation should be coming out very shortly.

When the Township last did a brand new swap it was in January 2009. It was at the height of the financial crisis and the markets were trading in odd non-historical patterns. At that time, the idea of doing a basis swap was presented to the Township. The amount of that the transaction was \$14,135,000. The outcome provided additional revenue to the Township. On the first cash flow payment, the Township received a payment of \$24,638. It was scheduled to have semi-annual payments. The Township then entered into the agreement because historically the pricing was off the chart. The swap was terminated for a net payment of \$500,000 making a total cash flow of \$524,638.00 to the Township for this transaction.

Mr. Verdelli wanted to make the Board aware of this opportunity and said the earnings could be significant as they were a year and half ago. If the Township is interested in the transaction, it would be identical to the previous swap. We could get the paperwork in motion and if the pricing continues to improve a little bit more, we would recommend potentially executing it. We are not quite there yet. He added that if you left it in place, over the life, you could recognize significant cash flow which is intended to enhance the reduced interest earnings that you are receiving in this low interest rate environment.

Supervisor Fedeli asked Mr. Verdelli if he knew who the sponsor of the legislation is. Mr. Verdelli said he thinks it is going to Rep. Gordon Denlinger.

Supervisor Ballard checked with the Pennsylvania Township Supervisors Association and they are encouraging Townships to be very cautious with these swaps. When the new bill is introduced and passed, she will take a look at it. At the present, she does not feel comfortable to proceed as a steward for other people's money.

Mr. Verdelli suggested the Board begin the necessary paperwork to be completed in time for the next Board of Supervisors meeting. If the market is favorable, the Manager would have the authorization to execute the swap transaction. However, preparing the paperwork does not authorize Mr. Verdelli to proceed with the swap.

Supervisor Moyer said he would like a risk benefit analysis discussion with the Board in terms of what sort of upside we can expect to receive versus the downside risk in a catastrophic situation. Mr. Verdelli said with the current state law there is an interest rate management plan that describes the transaction, has termination tables if you need to terminate it, etc.

With the Board's consensus, Chairman Pries requested Mr. Verdelli and Manager Negley to proceed with the necessary paperwork and the advertisement for the Interest Rate Swap to present at the next Board meeting. It was confirmed with Mr. Verdelli the only cost involved to prepare the paperwork is the advertising cost. There are no legal fees.

B1-10 The Preliminary/Final Land Development Plan for McDonald's, Plat No. 1190.

Charles Emerick - Assistant Director of Community Development

The owner of the McDonald's restaurant located at 611 East Main Street, Hummelstown, is proposing to raise the existing 4,111 square foot restaurant and construct in its place a 5,235 square foot restaurant that will have dual drive-thru lanes. The existing lot standards meet current standards as do the setback distances partially due to the extension of existing non-conformities. The vegetation and impervious coverage are presently nonconforming. The plan also acts to join two existing lots together to make one lot of 328 feet wide by a depth of 183 feet at one end and 200 feet at the other end. The building is designed to have 115 seats and, here much like the public hearing we just had, the applicants are required to have 39 spaces and they are proposing 64 spaces. The impervious coverage will decrease from 88.6% to 76.9%. The vegetative cover in a complimentary fashion is being increased from 11.4% to 23.1%.

Supervisor Moyer asked if this would interfere with other business operations.

Michael J. with Bollard Engineering

The plan would be to completely rebuild the restaurant. The lot is not big enough to do a phase approach. McDonald's has done a number of these. Duration is usually 100-120 days from demolition to opening of the new store. This construction will not affect other business operations and there will be no roads shut down.

Motion: A motion made by Vice-Chairman Abruzzo and seconded by Supervisor Ballard that the Preliminary/Final Land Development Plan for McDonald's, Plat #1190, is hereby approved subject to the following:

- a. That the applicant reimburses the Township for costs incurred in reviewing the plan no later than July 8, 2010.
- b. That performance security be provided no later than December 8, 2010 to guarantee the completion of required improvements.
- c. That a deed of consolidation be provided for the two lots no later than December 8, 2010.
- d. That a signed certification of title be provided prior to recording of the plan showing the applicant is owner or equitable owner of the land; and dedicating streets, rights-of-way, and other areas for public uses.

- e. That a letter be provided from the Dauphin County Conservation District approving the erosion and sedimentation control plan no later than December 8, 2010.
- f. That the PADEP approval letter for the sewage facility planning module application mailer request for sewage planning exemption be provided no later than December 8, 2010.
- g. That fire hydrant data be provided no later than December 8, 2010, substantiating minimum fire hydrant flow requirements, flow availability, recharge capabilities, and duration of flow.
- h. That a separate BMP Operations and Maintenance Plan (and submission) be provided no later than December 8, 2010, in accordance with the requirements of Chapter 174 of the Derry Township Code of Ordinance.

It is further moved that the following waivers are granted from the Subdivision and Land Development Regulations:

- a. From Section 185-12.D.(3).(a).[9] regarding the location of all existing structures, wooded areas, watercourses, rock outcrops, culverts, utilities, above or below ground, fire hydrants, streets and their established grade and width, all within 200 feet of the tract of land to be subdivided and developed.
- b. From Sections 185-12.D.(3).(a).[21] and 185-13.E.(4).(a).[19] regarding providing plans and profiles of proposed and existing stormwater sewer or conveyance systems with grades, pipe sizes, and locations of all inlets, manholes, and other related structures at a scale of 1" = 50' horizontal and 1" = 5' vertical.
- c. From Sections 185-12.D.(3).(a).[22] and 185-13.E.(4).(a).[20] regarding providing plans and profiles of proposed and existing sanitary sewer system with grades, pipe sizes and location of all inlets, manholes, and other related structures at a scale of 1" = 50' horizontal and 1" = 5' vertical.
- d. From Sections 185-12.D.(3).(a).[23] and 185-13.E.(4).(a).[21] regarding providing plans and profiles of proposed and existing gas and water systems with grades, pipe sizes and location of manholes, valve boxes, fire hydrants, and other related structures at a scale of 1" = 50' horizontal and 1" = 5' vertical.
- e. From Sections 185-12.D.(3).(a).[35] and 185-13.E.(4).(a).[36] regarding providing topographic land contours at minimum vertical intervals of 2 feet on the tract of land to be developed or subdivided and within 200 feet and 50 feet of the perimeter, respectively.
- f. From Section 185-13.E.(4).(a).[9] regarding the location of all existing structures, wooded areas, watercourses, rock outcrops, culverts, utilities, above or below ground, fire hydrants, streets and their established grade and width, all within 50 feet of the tract of land to be developed or subdivided.

The motion carried, 5-0.

C1-2 Authorization to award bid for Landfill Well and Groundwater Testing.

Thomas R. Clark –Director, Public Works

The Township must follow certain criteria set forth by the Department of Environmental Protection for landfill groundwater and well testing at the landfill on Ridge Road.

Sampling and analysis must be done by a qualified firm and the current 2-year contract is up. Thirteen bid packages were mailed out and three were received back. Analytical

Labs was the low bidder. They offered an 18% multi-year discount as they have done in the past making the total \$22,442.58. \$13,000 annually was budgeted in the Recycling Center operating budget for 2010.

(Note: Vice-Chairman Abruzzo left the meeting to attend to family business.)

Motion: A motion made by Supervisor Fedeli and seconded by Supervisor Ballard that Analytical Laboratories be awarded the bid for the Township's Landfill Well and Groundwater Monitoring in the amount of \$22,442.58 for the two-year contract period is hereby approved. *The motion carried, 4-0.*

D1 Authorization to upgrade the underground fuel tank monitoring system at the Public Works Facility.

Thomas R. Clark –Director, Public Works

Per regulations set by the Department of Environmental Protection, the Township must upgrade the underground fuel storage tank monitoring system at the Public Works Facility. The system is 14 years old and some of the equipment is outdated. He contacted two firms that do this type of work. There was a discrepancy in the two bids. He refined the proposal and sent it back out and received only one bid back in the amount of \$7,081 from Hafer Petroleum Equipment.

Motion: A motion made by Supervisor Fedeli and seconded by Supervisor Ballard that Hafer Petroleum be awarded the work to perform the upgrades to the underground fuel storage tanks at the Public Works facility in the amount of \$7,081.00 is hereby approved. *The motion carried, 4-0.*

E1-5 Authorization to upgrade traffic signals.

Thomas R. Clark –Director, Public Works

In order to efficiently utilize the SAMI Signal Program that is installed in the three main corridors of the Township, additional upgrades to the traffic signal coordination program are needed. We obtained a price to get the traffic counting portion of that system up and running. Much of the equipment we need is there, but some of it is not. We obtained two prices. The first price of \$15,375 is for installation of the loops and amplifiers to count only the main lines, i.e. Hersheypark Drive, Chocolate Avenue, Governor Road. The additional \$2,450 would be to include the side streets that enter those corridors. In an effort to get accurate traffic counts, to stay on the front side of the traffic study that PennDOT has just put on the TIP, and to keep us involved in it, we need to make these upgrades. It will serve not only our traffic signal system, but assist PennDOT in the future traffic study that they will be doing on the TIP.

Supervisor Ballard noted the costs would come from the Liquid Fuels account. She asked if this would be totally covered by those funds. Mr. Clark said it would.

Supervisor Fedeli said the request for this expenditure indicates the SAMI system is ready to be programmed and the infrastructure is in place. Mr. Clark said once we have accurate counts on the volume of vehicles we are dealing with, they will know the parameters to program into the system.

Chairman Pries asked if this would be the last cost we see related to this project. Mr. Clark said he is hopeful that this would be the last expenditure.

Motion: A motion made by Supervisor Moyer and seconded by Supervisor Ballard that the quote from Republic ITS in the amount of \$17,825.00 for the upgrades to the traffic signals on the Hersheypark corridor is hereby approved. *The motion carried, 4-0.*

F1-4 Permission to hold a small fireworks display at 1276 Auburn Avenue on July 4th, or a rain date of July 5, 2010.

Marie Sirkot – Administrative Assistant to Township Manager, Negley

Ms. Sirkot received a request from Mr. Craig Erwin to hold a small fireworks display at his residence on July 4 at approximately 8:00 PM with a rain date of July 5. The Board has approved this request the last two years. Mr. Erwin has provided the required certificate of liability.

Motion: A motion made by Supervisor Moyer and seconded by Supervisor Ballard that authorization for Craig Erwin, 1276 Auburn Avenue, Township of Derry, to display fireworks on July 4, at approximately 8:00 PM, or a rain date of July 5, 2010 at approximately 8:00 PM is hereby approved. *The motion carried, 4-0.*

CORRESPONDENCE

Supervisor Ballard referenced a letter from the Township to the Medical Center enclosing an agreed upon invoice of \$72,065. This is the result of the Medical Center's review and determination that the gross square footage of their buildings has increased over time and this amount is the agreed upon payment in lieu of taxes agreement. This money will be a new source of revenue for the Township on an ongoing basis.

Chairman Pries thanked Supervisor Fedeli and Vice-Chairman Abruzzo for looking into this on the Board's behalf.

BOARD/COMMITTEE INFORMATION

There was no information to report.

REPORTS

William D. Smith – Chief of Police Department

On Saturday, June 12th, the 13th Annual Children's Festival at the Hershey High School will be held.

Thomas R. Clark - Director, Public Works

A small project at the end of Meadow Lane has been completed. There was a problem with some base failure. There will be more activity in the near future on Hockersville Road as a result of PennDOTs curb, ramps, and repaving project.

Barbara Ellis – Director of Hershey Public Library

Registrations for summer reading programs are being accepted. If you don't have a chance to stop in the library, you can register on the library's website.

June 9th is the deadline for the designers to submit proposals for the re-design project inside the library.

Terry M. Weinhold – Manager of Accounts Payable & Accounts Receivable

May is in the process of being closed. Preliminary reports show that both revenues and expenses are coming in under budget.

Matthew J. Mandia – Director of Parks and Recreation

Mr. Mandia thanked both the Police Department and Public Works for their assistance with the Memorial Day events. He also thanked the Board for providing the resources to make this happen.

This past Saturday, the Hershey Track & Field meet was held. There were 67 athletes participating. Quite a few are going on to the next round.

The Hershey High School seniors graduate June 9th. The all night graduation function is held at the Recreation Center. There is usually about a 95% attendance rate.

On Thursday, the swimming pool dome will be opened for the summer.

Chairman Pries thanked Matt for all his work on the Memorial Day Parade. He also thanked the Police Department and Public Works.

Supervisor Ballard asked for the status on the stormwater infrastructure improvements. Mr. Bonanno said they are tweaking the information they received from the Subsurface Utility Engineering investigations. In addition, they are getting ready to approach the property owners for the easements. The appraisals should be back Friday and then they can move ahead with the right of way. The earliest to break ground would be December of this year.

Chairman Pries asked if we were behind schedule. Mr. Bonanno said we currently are on schedule based on when we started to do the test pits and the right of way.

Charles Emerick - Assistant Director of Community Development

The four units that were burned in Deer Run were demolished and the property cleared. The five other units were sided and are presentable with the exception of macadam driveways. Community Development's intention is to wait to see if there is settlement by the end of the month for the five units. If settlement does not happen, they would ask the owner, PNC Bank, to either obtain permits to complete the work or to obtain permits to tear the units down.

Supervisor Ballard asked Mr. Emerick if he talked to the various homeowners who have been before the Board about this situation. Mr. Emerick said he had not, but will make contact.

Supervisor Ballard asked if the remaining properties are in violation of any housing code or zoning ordinance. Mr. Emerick said the closest they come to a violation is that they are incomplete and don't have a current permit active. But he feels they are entitled to

the end of the month before taking the next step because they have made the existing units presentable.

Mr. Emerick said the other issue in Deer Run is the sewer project. Everything is underground at the entrance and the concrete sidewalks were poured. They have yet to complete the infrastructure of sewer and water on the other side of Middletown Road, but it is off of Deer Run property.

Supervisor Ballard said the Board agreed to make sure the Homeowners Association was satisfied with work that was done. Mr. Bonanno said when they receive the request to reduce the bond amount based on the work completed; he will contact the Homeowners Association to have a walk-thru with them.

Mr. Emerick shared some personnel issues in his department related to staff needing to take time off. He is without a master code official. He was able to get someone to help out several hours every day. He has interviewed three third party inspectors. Mr. Emerick is working with the solicitor on an agreement for a master code official, to help fill the gap so they can keep building projects moving in Derry Township despite our personnel issues.

Marie Sirkot – Administrative Assistant to Township Manager, Negley

Ms. Sirkot reported that Manager Negley is improving. Asst. Manager Horner will be in the office on Friday.

APPROVAL OF ACCOUNTS PAYABLE (\$297,045.05) AND PAYROLL (\$313,937.20).

Supervisor Ballard moved to approve accounts payable in the amount of \$297,045.05 and payroll in the amount of \$313,937.20. Supervisor Fedeli seconded. ***The motion carried, 4-0.***

VISITOR/PUBLIC COMMENTS

Matt Weir, Church Road

Mr. Weir commented on how great the Memorial Day events were.

Mr. Weir asked if there is any possibility that the downtown realignment project can be revisited to save some money since there is not going to be 900-1,000 people in the factory with the closing of the Chocolate factory.

Chairman Pries said he just had a discussion with the engineer and the representatives of the entities. Their feeling is that the project should stay in tack. As far as the public safety and the pedestrian utilization of that underground walkway, they feel it is as important moving forward as it was just recently.

Solicitor Yost said they are satisfied with the response to continue the project. We are still going to have tourists and the administrative people. The truck turn will be needed because there still will be trucks coming in and out.

Rich Gamble

Mr. Gamble expressed his concern regarding handicap accessibility with the sidewalk work being done on Hockersville Road. Chairman Pries asked Mr. Clark to contact PennDOT to see what they are going to do.

Mr. Gamble asked for an update on the Municipal Building. Chairman Pries said the ICDA signed a letter of intent and the project is moving forward.

ADJOURNMENT

Supervisor Ballard moved to adjourn the meeting at 8:25 p.m. Supervisor Fedeli seconded. ***The motion carried, 4-0.***

SUBMITTED BY:

Kelly C. Fedeli
Secretary

Brenda Van Deursen
Recorder