

# TOWNSHIP OF DERRY BOARD OF SUPERVISORS MEETING

Tuesday, February 26, 2008

600 Clearwater Road, Hershey, Pennsylvania 17033

## **CALL TO ORDER**

The February 26, 2008 Township of Derry Board of Supervisors Meeting was called to order at 7:10 p.m. by Chairman, Michael H. W. Pries.

## **PLEDGE OF ALLEGIANCE**

All present stood for the Pledge of Allegiance.

## **ROLL CALL**

### ***Supervisors Present:***

E. Christopher Abruzzo, Township Secretary  
Kelly C. Fedeli  
August (Skip) T. Memmi, Jr.  
George W. Porter, Vice-Chairman  
Michael H. W. Pries, Chairman

### ***Also Present:***

Thomas R. Clark - Director of Public Works  
Barbara S. Ellis – Director of Hershey Public Library  
Jill E. Horner – Assistant Township Manager  
Cheryl L. Lontz – Manager of Payroll and Employee Benefits  
Matthew J. Mandia – Director of Parks and Recreation  
James N. Negley - Township Manager/Township Treasurer  
Edward L. Small –Asst. Director of Community Development  
William D. Smith – Chief of Police  
Jon A. Yost - Township Solicitor

***Public Present:*** Ronald J. Hand, Elvira Ebling, Michael Sucec, Sheri Sucec, Rick Russell, Bob Larson, Al Brulo, Ian Memmi, John Memmi, Kelly Seaton, James Stough, Jim Ingalzo, Wes Heisley, Michael Loffreda, Judi Hummel, Brady Hammond, Steve Todd, Rich Gamble, Chris Sholy, Sandy Ballard

### ***Press Present:***

Daniel Victor – Patriot News  
Jeff Werner - Hershey Chronicle  
Drew Weidman – The Sun

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

## **EXECUTIVE SESSION**

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

### **VISITOR/PUBLIC COMMENT:**

Kelly Seaton, Wood Road – Ms. Seaton thanked the Board and Sgt. Ferree of the Police Department for the quick response installing the 4-way stop at the intersection. She noticed a dramatic reduction in speed. Chairman Pries thanked Ms. Seaton for being proactive in bringing it to the Board's attention.

Rich Gamble, 39 Hockersville Road – Mr. Gamble reported an increase in older homes that have been sold for business purposes. Most people cannot afford a \$400,000 home, but they can afford \$150,000 which is the market value these homes are worth. By putting businesses in, the value of the homes is being lowered. What normally would be a 1-2 car situation is now 3-4 cars parking on sidewalks. In the past week, he has called the Derry Township police regarding the safety on Hockersville Road, particularly the north end. He said there are cars parked on both sides of North Hockersville allowing room for only one lane of traffic. He recently attended a meeting where someone was asking for a variance to put in a three-chair beauty shop, which means 24 vehicles in an 8-hour day. He said they have asked for other variances which included turning a yard into a parking lot and asking to access roads that are alleys. The roads they are projecting to use to supply the new beauty shop are not safe or acceptable. Mr. Gamble expressed concern that the Village is no longer a home for the residents, but has been turned into a business area. He also mentioned an area at the corner of Swatara station and North Hockersville where the school bus has to make a wide loop and sometimes drive up on the bank to get around the cars that are parked there. He recommended these roads be made "no parking" on one side and not be considered a major traffic flow for businesses.

Chairman Pries instructed Ed Small and Chief Smith to look into these issues and to provide the Board of Supervisors with an update of his concerns. Chairman Pries noted one property mentioned on Hockersville Rd. which is across from the old municipal building, does have a lot of things in front of the property such as boxes, etc. piled up. Chairman Pries said the Township Manager is already working on that situation.

Mike Iaffreda, 124 Jacobs Creek Drive – Dr. Iaffreda is a dermatologist at the Hershey Medical Center who stated The American Academy of Dermatology is sponsoring Shade Structure Grants. He explained these grants promote sun safety for children and funds for non-profit organizations to erect permanent shade structures. The grants are in the amount of \$8,000. He thought this might be beneficial to the Board to look into. The types of organizations are public parks, pools, public schools, playgrounds, etc. Dr. Iaffreda said he discovered this program late so the deadline is March 5<sup>th</sup>. The application will require a few hours work from him and someone in the Township. He forwarded this information to Mr. Abruzzo.

Supervisor Abruzzo thanked Dr. Iaffreda for the information. He did share the information with the Board of Supervisors, Township Manager, and Matt Mandia, Director of Parks and Recreation and they are all interested in it. He said the funds do not require any matching from the Township. Mr. Mandia has a couple of good locations where these shade structures might come in handy for children and older adults. Supervisor Abruzzo asked Matt Mandia to get assistance from Dr. Iaffreda to assist in completing the application as Dr. Iaffreda would be the sponsor of the grant.

Michael Sucec, 123 Sea Lane, Harrisburg – Mr. Sucec is not a resident of Derry Township, but he felt the need to bring his concern to the Board of Supervisors. He commented on a billboard sponsored by Sheetz that says “Crispy Frickin Chicken.” He understands from conversations his wife has had with the Township, state representative, and senator’s office, there is nothing legally that can be done. He and his wife find this billboard unacceptable and they hope the Board and community of Derry Township find it the same. He asked the Board to make phone calls, write letters, etc. to our State representatives and offices in disdain of the billboard. Chairman Pries commented he was not aware of this sign and has not received any calls. He said he will take a look at it and the Board will take into consideration Mr. Sucec’s concerns.

James Stough, 1134 Cord Drive – Rev. Stough owns the property at 606 Hillcrest, but no longer resides at that address. He read in the February 14<sup>th</sup> edition of Hershey Chronicle that the Township is pressing forward with the stormwater management study that will address flood prone sections of the Township. He is hoping the study includes Hillcrest Road. He mentioned that contractors are looking at his property, but are hesitant to buy it due to the potential for future flooding. Until it is resolved, Rev. Stough said he will be stuck with a piece of ground. He has to demolish his home because it cannot be repaired.

Chairman Pries asked Rev. Stough about his property being used by the local fire department. Rev. Stough said they were using it, but are not finished. Chairman Pries said on behalf of the Board and Township, they are very sorry for what he and his family have suffered and continue to suffer. He said they are in the process of a stormwater management study. Chairman Pries said Al Brulo from HRG is one of the top stormwater management people in Pennsylvania. It will be a costly project, but it is a project the Board feels that needs to be addressed. Chairman Pries thanked Rev. Stough for his patience through all this and respected the fact that Rev. Stough donated his property for the utilization of the fire department.

Doug Gelder, Developer of the general area known as the Middletown Road Corridor- Mr. Gelder said the Township holds a bond in the form of approximately \$100,000 that was put together to help supplement the construction of the recreational paths in the Middletown Road Corridor area. He has been working with Ed Small and Matt Mandia to put together a plan to utilize these funds in order to fill in the gaps of the pieces missed in the federal funded and state programs in the bike path system. Mr. Gelder proceeded with the background of how the money became available, how it was intended to be used, and what the possible uses of it could be.

In summary, Mr. Gelder provided the Board with copies of the Swatara Creek Greenway and River Conservation Plan because it has an impact on how the balance of the funds can be utilized. He explained this Plan calls for a series of different things. Among them the construction of recreational paths, walking paths, greenway areas, and a buffer zone along the Swatara Creek, regional parks. It also calls for reconstruction of what used to be the Clifton Covered Bridge and the area to the south end of the Township. The Plan is a joint study among the counties for 71 miles starting in Reading and running into the Susquehanna River. 13 miles are in Derry Township. Mr. Gelder's function was to look at how it affected the 13 miles in Derry Township, which includes Stonecreek, Deer Run, Southpoint, Southpoint Commons, Southpoint Meadows. At that time, they put together a plan to do some developing on Gelder Park. That land is zoned as multi-family residential. It allows the developer to put in 10 units per acre of apartments, 12 units if he goes to some sort of age restricted community and 17 units per acre if a nursing home or congregate care is built.

The Plan called for an attempt to de-intensify the usage or population base along the Swatara Creek. He developed a plan to take Stone Creek and incorporate it into a larger 140-acre plan to be submitted to the Township. That 140-acre submission includes the 100 acres of Stone Creek and the 30 acres known as Gelder Park. Those 140 acres were submitted to the Township to create the regional park, de-intensify the usage along Swatara Creek, and eliminate commercial zoning. When this plan was done, several things happened. Mr. Gelder dedicated the 30 acres known as Gelder Park. He said the engineers made an error. When the park was dedicated, the plat was correct, but the verbage/deed was incorrect. It cut off a piece of a road in Phase 3 of Deer Run and some of the units. Mr. Gelder solved it by buying from the Township 1 1/10<sup>th</sup> acre of ground. He paid \$110,000 with the understanding the Township would accept a bond for that money and those proceeds and funds would be used to put in a recreational path system in and around the Deer Run area specifically directed at this 30 acre park.

Vice-Chairman Porter suggested that Mr. Gelder continue his presentation at the public comment session at the conclusion of the meeting so as to continue with other business.

### **APPROVAL OF MINUTES:**

**Motion:** Vice-Chairman Porter moved and was seconded by Supervisor Fedeli to approve the Minutes from the February 12, 2008 Board of Supervisors Meeting.

***Motion carried, 5-0.***

### **EMPLOYEE SERVICE AWARDS**

Chairman Pries announced the names of employees receiving service awards for 5 years, 10 years and 15 years of service.

### **5 Years of Service**

Max Hauck, Public Works  
Ashley Fanning, Parks & Recreation/Child Care  
Patricia Wrightstone, Parks & Recreation  
Patrick Rudisill, Police/CSO  
Cheryl Espenshade, Parks & Recreation/Child Care  
Bette Jasienski, Parks & Recreation/Granada Gym  
Jennifer Johns, Parks & Recreation/Granada Gym  
Linda Dunbar, Library

### **10 Years of Service**

Brian Blahusch, Information Communication Systems  
Robert Piccolo, Public Works

### **15 Years of Service**

James Lewis, Public Works  
Barbara Nwoke, Library  
Keith Ocker, Police

### **NEW BUSINESS:**

#### **A1-3 CONSIDERATION OF THE USE OF FUNDS FROM THE TOWNSHIP'S SIGN BEAUTIFICATION PROGRAM TO REIMBURSE SPRING CREEK CHURCH OF THE BRETHERN FOR THE INSTALLATION OF A NEW SIGN IN THE CHOCOLATE AVENUE PRESERVATION OVERLAY DISTRICT.**

Edward L. Small –Asst. Director of Community Development – Mr. Small reported that Spring Creek Church has asked permission to put a sign along Chocolate Avenue to instruct visitors from out of the area as to where to turn to get back to their church. He explained the quote did not include carving or raised features. The Design Review Board asked them to research it. They found out the cost they were originally quoted was double. The Church said their budget would be in great distress because they had not allowed for these costs. The discussion moved to the monies donated by the Hershey Foods Corporation. Of the \$10,000 original dollars, \$2,779 remain. Since 1995, there have been no applications or funds expended. The terms of the grant originally called for the program to run for at least two years. At the end of such term, the Township could at its discretion end the program and spend the remaining monies on other beautification projects around the area. The proposal also contained a provision that indicated the Township should primarily target replacement of signs rather than new signs to improve the existing signage. He recommended a percentage of the monies be reimbursed to the Church for the creation of a sign which would now be valued at \$1,500.

Supervisor Memmi explained it was the desire of the Design and Review Board that the Township create some offset to this sign to allow them to move forward with a more well

designed sign because it is going to be at a location that has some prominence within the Township along 422. It was felt the Design & Review Board should come to the Board of Supervisors asking for assistance for this sign.

**Motion:** Supervisor Memmi moved and was seconded by Vice-Chairman Porter to direct \$300 to the Sign Beautification Program as presented by the Spring Creek Church of the Brethren for assistance with the cost of the sign.

**Motion carried, 5-0.**

**B1-18 THE PRELIMINARY/FINAL LAND DEVELOPMENT PLAN FOR THE HERSHEY COMPANY EASTERN DISTRIBUTION CENTER III, PLAT NO. 1144.**

Edward L. Small –Asst. Director of Community Development – Mr. Small laid out the plan for construction of an addition to the existing warehouse. 102,500 square feet of floor area would be built for cold storage at the west end of the warehouse. The applicants recently appeared before the Zoning Hearing Board seeking relief from the floor area ratio limit of (.30), at which time was granted to .3214. Everything else is in compliance. The analysis of the zoning requirements were actually done to the Township line north of Derry Township which splits the building. The reason it was done was to place all future proceedings that might be dealt with on that property independently of any action that might take place in Lebanon County. He also said they do not need land on that side to satisfy any of our standards. There were waivers asked for because of the large area being represented on the plan and the fact that there would not be additional information learned by provision of all that information. It was recommended to be granted by both planning commission and staff. The Planning Commission approved the plan contingent upon a list of corrections at their meeting of January 8<sup>th</sup>. Mr. Small recommends approval of the plan with standard contingencies dealing with reimbursement for review, performance security as necessary, and two letters from outside agencies.

Supervisor Porter abstained from voting.

**Motion:** Supervisor Memmi moved and was seconded by Chairman Pries that the Preliminary/Final Land Development Plan for the Hershey Company Eastern Distribution Center III, Plat No. 1144 is hereby approved.

Chairman Pries asked Wes Heisley with Evans Engineering, representing the production of the plans and Rick Russell with The Hershey Company, for an update on whether or not this would have any economic impact on the area as far as new jobs created. etc. Mr. Russell said it is expected the 102,000 square foot extension will create both additional storage capacity and additional jobs. The numbers are fluctuating right now, but believe it to be in the 80-100 range.

Supervisor Memmi said a unique taxing formula was put in place for this site to the credit of the Hershey Company. They are paying taxes in both Dauphin County and in

Lebanon County. He asked Mr. Russell if it is true this project will all be in Dauphin County so that all the real estate taxes will go to the Derry Township School District, the Municipality of Derry Township, and to Dauphin County. Mr. Russell concurred.

***Motion carried, 4-0-1.***

**C1-2 DISCUSSION OF AN OPPORTUNITY FOR THE TOWNSHIP TO TERMINATE AN INTEREST RATE SWAP.**

James N. Negley - Township Manager/Township Treasurer – Manager Negley reported on January 19, 2006, the Township adopted an ordinance to enter into an interest rate swap with RBC Capital Markets. The swap was for the amount of \$14,145,000. At the time of the entry into this swap, Mr. Lou Verdelli, of RBC Capital Markets, advised the Board of Supervisors that if interest rates were reduced by the Federal Reserve, the result could be financially beneficial to the Township. He asked Mr. Verdelli to apprise the Board of this opportunity.

Mr. Lou Verdelli reported in the fall of 2006 he informed the Board of an opportunity to take advantage of a unique situation in the financial markets. It was referred to as a flat yield curve which means that short term interest rates (30 day or 90 day interest rates) were the same as long term interest rates. This was an opportunity to enter into a type of transaction called an interest rate swap. It was offered as an opportunity to lower the annual payments on the two financings that paid for the Township building. The Board decided to pursue this. The size of the transaction was \$14,145,000. The Township executed the documents on December 19, 2006, but RBC reported the pricing was not exactly where it should be to be most optimal. It was suggested to wait to execute the transaction.

In June of 2007, the pricing was right and the transaction was locked in. He further explained that unlike a bond issue, an interest rate swap is a live contract that always has value. As interest rates change, the value of the contract changes. This past summer the contract actually had a negative value. If you wanted out, you would have had to pay about \$200,000. Now short term rates are going lower and long term rates have stayed about the same. The contract now has dramatically increased in value. If the Township were to terminate the contract now, they would receive \$500,000. Mr. Verdelli summarized the opportunities for the Township. He said if the Township does nothing and the interest rates stayed as they are now, the Township would receive a payment of \$56,000 in November 2008. \$56,000 would come into the Township every six months and can be used to reduce the debt service payments on the two bond issues. Or the Township could set a target, and authorize RBC to work with the Township Manager to terminate at the appropriate time. He mentioned that if the Township stays in this for the next 23 years based on historical averages, they would make about \$1.6 million.

Mr. Verdelli does not recommend terminating now. He recommends the Township authorize their Financial Team to set a target minimum level. They will watch it for the appropriate time to terminate.

Vice-Chairman Porter asked Manager Negley for his recommendation. Manager Negley recommended a target of \$650,000, but no less than \$500,000.

**Motion:** Supervisor Memmi moved and was seconded by Supervisor Abruzzo to approve to authorize the Financial Team and the Township Manager to continue following the yield curve, set the target at \$650,000, but not less than \$500,000, proceed to terminate the contract, and put the funds in the debt reserve account.

**Motion carried, 5-0.**

**D1-261 ADOPTION OF RESOLUTION NO. 1193, UPDATING THE JOB DESCRIPTIONS FOR ALL OF THE POSITIONS IN THE TOWNSHIP AND ESTABLISHING JOB DESCRIPTIONS FOR FOUR POSITIONS.**

Jill E. Horner – Assistant Township Manager – Ms. Horner explained the job descriptions were last updated in 2003. Each department reviewed their job descriptions and made the necessary changes. There were four new job descriptions added.

**Motion:** Vice-Chairman Porter moved and was seconded by Supervisor Fedeli to adopt Resolution No. 1193, updating the job descriptions for all of the positions in the Township and the established job descriptions for the four positions be hereby approved.

Supervisor Fedeli shared that she recently went through this process and commended Asst. Manager Horner for doing this huge and important undertaking. Chairman Pries shared his appreciation of this undertaking and also his thought of going paperless in the future.

**Motion carried, 5-0**

**E1 ADOPTION OF RESOLUTION REGARDING LIQUOR LICENSE TRANSFER**

Solicitor Yost developed a resolution for a liquor license transfer from the Borough of Steelton to the Briarcrest Square. He is asking for approval of this transfer.

**Motion:** Supervisor Abruzzo moved and was seconded by Supervisor Memmi to transfer a liquor license from the Borough of Steelton to Briarcrest Square is hereby approved.

**Motion carried, 5-0**

**CORRESPONDENCE**

Supervisor Memmi discussed the possibility of hiring Dan Cohen and signing a contract with the Verizon franchise which would permit Verizon to provide access into Derry Township. The cost to enter into the contract would be approximately \$3,000-\$5,000. He mentioned Verizon will only deal with joint municipalities.

**Motion:** Supervisor Memmi moved and was seconded by Vice-Chairman Porter to approve entering into an agreement to work with Council of Governments (COG) to hire Cohen & Cohen for the amount not to exceed \$5,000 permitting Verizon to be available for the residents of Derry Township.

**Motion carried, 5-0**

Supervisor Memmi asked Tom Clark the status of the Safety Mobility Initiative (SAMI). Mr. Clark reported he had not heard from PennDot regarding the letter that was sent. He shared a PC was brought in and connected, but that is all that has happened. Mr. Clark would like to wait for a response back from his letter before proceeding. Supervisor Memmi asked Mr. Clark to bring an update to the next meeting.

Supervisor Porter commented on a letter received from Carol Gisselquist regarding stormwater issues specific to the creek southeast of the intersection of Governor Road and Cocoa Avenue, extending to Route 743. She asked this area be looked at when the Township considers its plan.

Supervisor Abruzzo discussed an area on Rt. 322 in front of the Medical Center where the lane splits. He believes a sign needs to be placed to warn citizens in advance of the split in lanes. Chief Smith said he will request the state to look at it and see if any other signs would be more appropriate.

**BOARD/COMMITTEE INFORMATION**

Supervisor Memmi announced a public presentation on Thursday at 5:30 at the Township Building regarding the 743 Bridge and 422 intersection improvement. This presentation will be from HRG.

Supervisor Fedeli commented on the Design Review Committee. She served on that committee, but was not aware of the Sign Beautification Program. She suggested a brochure be put together to share with applicants in the future.

**REPORTS:**

**APPROVAL OF ACCOUNTS PAYABLE (\$242,209.94) AND PAYROLL (\$259,165.05).**

**Motion:** Vice-Chairman Porter moved and was seconded by Supervisor Fedeli to approve Accounts Payable (\$242,209.94) and Payroll totaling (\$259,165.05).

**Motion carried, 5-0.**

**VISITOR/PUBLIC COMMENT:**

Ian Memmi – Ian mentioned he is a scout from Hershey and is working on the Citizenship Merit Badge for his Eagle Scout Rank.

Doug Gelder, Developer – Mr. Gelder proceeded with his presentation regarding funds of \$100,000 to be used for recreational trails. He mentioned two options. The first is connecting to Gelder Park and the second is connecting the 5 acres at the southern tip of the Township to Southpoint.

Supervisor Memmi asked if the funds are utilized with the trail to Gelder Park, would there be additional funds for amenities in the 5 acres? Mr. Gelder said there may be enough money to do both. Mr. Gelder also mentioned a third option which is the entrance to Gelder Park. There is a sidewalk on the north side that doesn't go anywhere and could be extended. He said it is a \$4,000-\$5,000 project.

Chairman Pries said a lot of information was received and the Board will need to review it to decide what option to take.

Vice-Chairman Porter complimented Mr. Gelder on his presentation. He said Matt Mandia took him for a tour and they both are interested in completing the first option which would complete the existing system before completing the 5-acre area.

***Motion:*** Supervisor Memmi moved and was seconded by Chairman Pries to have Matt Mandia work with Doug Gelder to layout the scheme and calculate costs to determine which way to proceed and to contact the Home Owners Association for possible contribution of funds for the five-acre area is hereby approved.

***Motion carried, 5-0.***

Supervisor Abruzzo said the Parks & Recreation Advisory Board met to discuss spending of the bond issue funds which have to be spent by November of 2008. The Parks & Recreation Advisory Board reviewed various projects. After evaluating each project they determined areas benefiting most of the Township's residents. They prioritized the list for the Board of Supervisors. Matt Mandia said the list included a splash pad (\$290,000), park maintenance equipment (\$69,200), locker room upgrades (\$150,000), pool furniture (\$20,000), free weights and equipment replacement at Granada Gym (\$30,000), and online registration (\$60,000).

***Motion:*** Supervisor Abruzzo moved and was seconded by Supervisor Memmi to begin the bidding process in order to meet the November deadline for the expenditures of the bond issue funds is hereby approved.

**ADJOURNMENT:**

***Motion:*** Vice-Chairman Porter moved and was seconded by Supervisor Abruzzo to adjourn the meeting at 9:15 p.m.

***Motion carried, 5-0.***

**SUBMITTED BY:**

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E. Christopher Abruzzo  
Township Secretary

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Brenda Van Deursen  
Recording Secretary