

**DERRY TOWNSHIP INDUSTRIAL & COMMERCIAL DEVELOPMENT  
AUTHORITY  
235 HOCKERSVILLE ROAD, HERSHEY PENNSYLVANIA 17033  
SEPTEMBER 16, 16, 2006  
MINUTES**

**CALL TO ORDER**

The September 16, 2006 meeting of the Derry Township Industrial & Commercial Development Authority was called to order at 5:430 p.m. by Chairman J. Scot Chadwick.

**ROLL CALL**

***Board Members Present:***

J. Scot Chadwick – Chairman  
Richard E. Lenker, Jr. (Arrived 5:48 p.m.)  
August (Skip) T. Memmi, Jr. – Secretary  
Todd K. Pagliarulo – Vice Chairman  
Michael H. W. Pries (Departed 6:35 p.m.)

***Also Present:***

Bruce Foreman (*Foreman & Foreman, P.C.*) – Solicitor

***Public Present:***

David Boyer – Bucharthorn, Inc. / Basco Associates  
Diana Reed - Diana M. Reed & Associates  
Bruce Yerger – Bucharthorn, Inc. / Basco Associates

**PUBLIC COMMENT**

No discussion.

**APPROVAL OF MINUTES**

***Motion:*** Mr. Pagliarulo moved and was seconded by Mr. Memmi to approve the following Minutes:

August 17, 2006

Public Meeting

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

## REPORT ON DOWNTOWN DEVELOPMENT PROJECT

### Construction Update (Buchart Horn)

#### Phase 1

There continues to be a holdover of \$15,000 from Phase 1 regarding the final payment to Lobar for the extended warranty documentation. The extension on the warranty for the brick panel façade was received today and will be in effect through 2015. Buchart-Horn recommended DTICDA release the \$15,000 to Lobar.

#### Phase 2

DTICDA is holding \$10,000 from Phase 2 regarding the demolition pending resolution of the issue of the fence being removed early, before substantial completion is completed. A pile of soil was removed and stockpiled and can be reused in Phase 3. Buchart Horn is trying to negotiate a credit because it wasn't removed by Pflumm, plus a credit from Lobar because they can use it in Phase 3. Buchart Horn has no recommendation to date but will continue to work with Pflumm.

#### Phase 3

Phase 3 is proceeding successfully. Site layout, excavation, and pile driving are the major activities to date. A few sinkholes have developed and were corrected. The situation continues to be monitored.

Mr. Pagliarulo asked if the first excavation soil samples were OK. Mr. Boyer responded there were two hits in the second sample. Borings were taken during a Phase 2 assessment in which in which it was discovered there were low perk levels in the soil below the statewide health standards for contact but were slightly elevated for ground water aquifer levels. The recommendation from SEIC is to remove the two areas of problematic soil.

Mr. Memmi questioned if Hershey Museum will be responsible for the \$58,000 in changes. Mr. Boyer indicated it is the understanding they will and noted it is under review. He doesn't know if all of the components of the costs will be accepted by the museum.

Mr. Boyer said HE&R asked for this to be tracked on an ongoing basis, and noted all of the items are paid for on a unit price basis. He indicated there was an allowance in the contract in which Buchart Horn is working against the allowance. Mr. Boyer said there would be a change order adjusting the quantities installed. This is just being done for tracking and will not add change order costs. The phase is on target with the exception for the change of value for the museum and the increased soil excavation increase.

### Update on Norfolk Southern Insurance Issue (Foreman)

**Motion:** Mr. Memmi moved and was seconded by Mr. Lenker to approve the

agreement with Norfolk Southern deleting the insurance requirement.

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

Mr. Memmi asked if there would be time delays similar to the situation Amtrak created for local airports. Mr. Foreman noted the original agreement was previously signed and Mr. Shuster is working to get this amendment completed as soon as possible.

**Redevelopment Assistance Capital Grant**

***Motion:*** Mr. Memmi moved and was seconded by Mr. Pries authorizing DTICDA to enter into a Host Community Cooperation Agreement with the Township of Derry to apply for the \$3 million Redevelopment Assistance Capital Grant from the Commonwealth of PA in which DTICDA would be responsible for administration of the grant.

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

Mr. Boyer noted this will cover construction costs related to the garage for Phase 3, a 50% share commitment.

Solicitor Foreman noted these funds can't be used for administrative fees.

Ms. Reed said DTICDA has a 50% match from HE&R. Mr. Memmi said DTICDA, out of its existing funds, is not prepared to use those existing funds to cover any costs associated with the administration of the grant. He asked if Ms. Reed was comfortable in stating DTICDA will not have to dip into the existing funds to pay for these costs.

Ms. Reed said the fee will be billed back to the projects and that HE&R should pay for the administrative fees. Solicitor Foreman will review to see if this was enclosed in the Memorandum of Understanding. Ms. Reed noted \$75,000 was set aside for the administrative fee when the budget for this project was determined.

**FTA grant status**

Buchart Horn presented a brief summary of the status of FTA and their work in attempting to get the application and supplemental funds into a position where they can requisition those funds and move forward.

There is a \$3.25 million original grant after FTA gets done taking money off the top. The actual amount of the grant is \$3, 204,893. Buchart Horn has been drawing down funds to pay certain eligible engineering costs. Diana M. Reed & Associates will requisition some of the construction funds.

There has been success in the past year with supplemental earmarks. The largest one that came first was for a \$1 million earmark and is allocated from 2005 – 2009. This was added to the Transportation Improvement Program for 2005. During the first two years, this totaled \$2,000 and \$298,000 was sent to FTA to be available for the supplemental grant.

There was a \$250,000 earmark which is not currently on the TIP and has to be added to

the 2007/2010 TIP, which will occur after 10/1/06.

There is a \$56,000 earmark that was identified, however FTA thinks that money is the first installment under the \$250,000 earmark. FTA believes both the \$250,000 and the \$56,900 are referred to as Project #458. Buchart Horn has asked FTA to revisit the topic to ensure the money will be available. Mr. Boyer noted FTA is not sure how flex funds should be handled.

Buchart Horn will contact Tim Smith at Representative Holden's office in Harrisburg to see what money is left after Holden gets through his portion of the appropriations committee process.

Mr. Memmi asked if PADOT is going to get 100% of the authority to draw on the application or is DTICDA going to be stuck with 87%. Mr. Boyer hasn't heard anything regarding 87% of these funds. He said these are 80/20 funds or a 20% match fund. Mr. Memmi wants DTICDA to have authority to draw all of the funds and is not restricted.

### **HERSHEY MUSEUM PROJECT**

Mr. Pagliarulo noted a \$5 million check issued by the governor's office was issued for the museum project. Solicitor Foreman will provide an agreement at the next meeting in which the administrative fees will also be discussed. Solicitor Foreman said the fee could be set up in the agreement, 1/5 of 1% plus all legal and county costs.

Mr. Pagliarulo asked if the \$5 million will be invested. Mr. Memmi said DTICDA will receive the money after it's spent and paid for.

### **NEW MUNICIPAL BUILDING PROJECT CONSTRUCTION UPDATE (BOYER)**

**Motion:** Mr. Pries moved and was seconded by Mr. Lenker to approve collectively the following change orders:

General		\$6,719.00
Plumbing	credit	\$969.00
Heating		\$4,308.84
Electric	credit	\$23,486.85

**Motion carried, 5-0.**

Mr. Boyer noted this is \$15,829.18 less than the original contract price.

Chairman Chadwick questioned the cost for electronic hardware in the administration building. Mr. Boyer responded additional card swipes were added to other doors.

Mr. Memmi said last month's change order log had a net savings. Mr. Boyer said DTICDA is beginning to eat into that savings. Mr. Memmi further indicated Buchart Horn is stating there is approximately \$40,000 of savings. Mr. Boyer said there is only \$15,000 savings.

Mr. Memmi said the 8/17/06 DTICDA minutes noted the results of the changes would be a net credit in the amount of \$52,439.03. Mr. Boyer said these were the changes DTICDA acted upon last month. Mr. Memmi said Buchart Horn's documentation said under Board Approved Changes a credit amount of \$39,000. He questioned where the \$52,000 disappeared to.

Mr. Boyer responded said this is the aggregate of all previous authorized change order amounts. DTICDA had approved change orders in the amount totaling \$13,123. DTICDA acted upon 52,000.00. There is now \$15,000 credit and the contingency funds have not been touched.

Mr. Boyer said if DTICDA were to approve next month all of the items in the pending list, which currently has \$20,185, this would then swing the net effect to \$4,300 net. Buchart Horn is not going to recommend all of the pending change orders.

Mr. Memmi said \$375,000 is in the contingency fund. He asked Buchart Horn if at halfway through the project, and with the pending change orders, the \$375,000 would get DTICDA through the rest of the project. Mr. Memmi asked if there are large amounts of change orders in the second half of the project. Mr. Burger stated it is reasonable to feel good about where DTICDA is financially situated on this project.

### County Wireless Tower Contract (Foreman)

Solicitor Foreman said the execution of the contract will have the tower on the municipal site and will be co-used by DTIDA, Derry Township, and DTMA. Mr. Memmi asked if EMS needs to have its own radio system and will DTICDA have the ability to return to negotiations to permit their use or is DTICDA stuck with this agreement.

Mr. Lenker doesn't know why EMS would have a need for it. Mr. Memmi asked if the Township could use Life Team instead of the university. Mr. Lenker said he can't address private channel used, and doesn't know why EMS would have expenses related to this because the county is installing the new system.

Solicitor Foreman said it is not on the contract however it can be reopened for discussion. It also noted the county wants EMS to take advantage of their system.

## CURRENT MUNICIPAL BUILDING PROJECT

Mr. Negley said Derry Township will take the lead to have this properly zoned downtown commercial. The homes at 205 and 207 are already zoned.

## GIANT CENTER – DEBT SERVICE RESERVE FUND INVESTMENTS

**Motion:** Mr. Lenker moved and was seconded by Mr. Pagliarulo to designate Lou Verdelli at RBC to research investment of reserve funds.

**Motion carried, 4-0.**

**Motion:** Mr. Pagliarulo moved and was seconded by Mr. Lenker to agree with PNC's letter to waive the late fee filing for the financial account and for PNC to reserve the right

to charge a fee should this occur again.

**Note:** Ms. Reed said her firm was at fault regarding the late filing.

**Motion carried, 4-0.**

## **ANY OTHER BUSINESS TO COME BEFORE THE BOARD**

### **Financial statements**

Ms. Reed will provide an update at the next meeting regarding the hotel room tax situation in Dauphin County.

### **Field of Dreams Foundation**

A project review package was previously submitted by John Marucci for the Field of Dreams Foundation. The foundation is proposing to create a baseball stadium for the youth programs in the area. The Field of Dreams Foundation requested DTICDA to consider becoming the umbrella organization for their funds. Previously money was collected and turned over to the school, with the school's commitment to provide maintenance. The school district did not segregate the money; it was placed in their general fund, and spent on other projects.

Solicitor Foreman will review the request and provide an update at the next meeting.

### **Greenlee Partners**

Mr. Negley noted DTICDA continues to pay Greenlee Partners \$5,000 per month and has never received a report. He asked if DTICDA want to continue payment.


Chairman Chadwick directed Mr. Negley to have Greenlee Partners attend the next meeting to provide an explanation of their charges and accomplishments on behalf of DTICDA.


## **ADJOURNMENT**

**Motion:** Mr. Lenker moved and was seconded by Mr. Memmi to adjourn the meeting at 7:05 p.m.

**Motion carried, 4-0.**

## **SUBMITTED BY:**

  
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James N. Negley  
Manager/Secretary/Treasurer

  
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Janiece W. George  
Recording Secretary