

TOWNSHIP OF DERRY
BOARD OF SUPERVISORS MEETING MINUTES
FEBRUARY 13, 2018

CALL TO ORDER

Chairman Marc Moyer called the February 13, 2018 Regular Meeting of the Township of Derry Board of Supervisors to order at 7:04 p.m. in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA. He advised that all public meetings are recorded for providing accurate notes. The meeting opened with the Pledge of Allegiance.

IN ATTENDANCE:

SUPERVISORS

Marc Moyer, Chairman
Justin Engle, Secretary
Susan Cort
Richard Zmuda

ALSO PRESENT:

James Negley, Township Manager
Jill Henry, Assistant Township Manager
Jon Yost, Township Solicitor
Chuck Emerick, Director of Community Development
Robert Piccolo, Assistant Director of Public Works
Chief Garth Warner, Police Department
Scott Stein, Hershey Volunteer Fire Company
Matthew Mandia, Director of Parks and Recreation
Terry Weinhold, Manager of Accounts Payables & Receivables
Laura O'Grady, Director of Hershey Public Library
Lauren Zumbrun, Economic Development Manager
Matt Bonanno, HRG Engineer
Julie Echterling, Recorder

Public in Attendance:

The following were in attendance: Rich Gamble, Robert Naeye and Timothy Anderson.

VISITOR/PUBLIC COMMENTS:

There were no comments offered.

APPROVAL OF MEETING MINUTES:

Supervisor Engle made a motion to approve the minutes of the January 23, 2018 Public Meeting of the Board of Supervisors. Supervisor Cort seconded the motion. **Motion carried 4-0.**

NEW BUSINESS:

INTEREST RATE HEDGE-RECREATION CENTER FINANCING:

Mr. Lou Verdelli, RBC Capital Markets, discussed the handout he provided to the Board. He spoke about the history of the Feds raising rates, bench marking, trending and the current market rates. He spoke about current economic indicators and the prediction that interest rates will increase following the FOMC meeting on March 21, 2018. He spoke about locking in a rate today for future borrowing. A decision to utilize a financial instrument today to hedge rates would be made to reduce the uncertainty of what the interest rate environment will be at the time the new money or refinancing bonds are sold. He stated if there is a risk that the project may not happen, the Township should not consider an interest rate hedge.

He stated the potential cost of the Recreation Center and the rolling of the current debt into one could be around \$41 million in debt services. He went over two examples of the no hedge option versus cash settled hedge. He stated today the rate is 4.05% and a 50-base point increase could result in an increased debt services of over \$2.5 million. In the hedged example, a 50-base point increase could result in a decrease in debt services of \$125,000. He went over an example for a school district and how they are set to do two

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swaps for their debt. He spoke about Act 23. Supervisor Engle asked about the terms of the agreement. Mr. Verdelli stated if they think they will be funding the construction in May 2019, then the term of the agreement should only be through that date. Extensions can be granted for 3, 6 or 9 months and most of the contract should be at the same rate but there will be a cost. These increased costs are market driven. Discussion ensued.

Supervisor Cort made a motion authorizing the Township of Derry to work with RBC Capital Markets, and the financing team, to prepare the necessary documents for the interest rate hedge for the Recreation Center Project financing. Supervisor Zmuda seconded the motion. **Motion carried 4-0.**

RECESS

Supervisor Zmuda made a motion to recess the Board of Supervisors at 7:41 p.m. for the public hearing. Chairman Moyer seconded the motion. **Motion carried 4-0.**

RECONVENMENT OF REGULAR MEETING

The Board of Supervisors reconvened the meeting at 7:45pm.

ORDINANCE NO. 71- VACATE PARK BOULEVARD:

Supervisor Zmuda made a motion to adopt Ordinance No.701 to vacate Old Park Boulevard from the streets/roads of the Township as a result of the Construction of relocated Park Boulevard. Supervisor Engle seconded the motion. **Motion carried 4-0.** Chairman Moyer made a motion to authorize the Chairman to execute an agreement between the Township and parties involved. Supervisor Cort seconded the motion. **Motion carried 4-0.**

SECURITY RELEASE-MILTON HERSHEY SCHOOL STAFF HOMES-PLAT#1266:

Supervisor Cort made a motion to authorize the release of \$82,286.99 from the performance security provided as PNC Bank Letter of Credit No. 18125862-00-000 for the Preliminary/Final Land Development Plan for the Milton Hershey School Staff Homes on Crest Lane, Plat #1266, resulting in a new balance of \$188,960.64. Supervisor Zmuda seconded the motion. **Motion carried 4-0.**

SECURITY RELEASE-CRYSTAL A DRIVE PLAT#1283:

Supervisor Zmuda made a motion to authorize the release of performance security in the amount of \$16,445.00, provided as cash, for the Preliminary/Final Subdivision Plan for Crystal A Drive, Plat#1283. Supervisor Engle seconded the motion. **Motion carried 4-0.**

SECURITY RELEASE-880 STAUFFERS CHURCH ROAD PLAT#1279:

Supervisor Cort made a motion to authorize the release of \$4,301 from the cash performance security provided for the Preliminary/Final Subdivision Plan for 880 Stauffers Church Road, Plat #1279, resulting in a new balance of \$3,289. Chairman Moyer seconded the motion. **Motion carried 4-0.**

ORDINANCE NO. 533-SPEED LIMIT – FOREST AVENUE:

Chief Warner stated based on a citizen's concern it was discovered that currently there no speed limit posted on Forest Avenue. Forest Avenue meets all the criteria to be posted with a 25-mph speed limit.

Supervisor Cort made a motion authorizing the advertising of an ordinance amending the Code of the Township of Derry (Ordinance No. 553) Chapter 210 § 210-12. Maximum Speed Limits Established on

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Certain Streets, by establishing a 25mph speed limit on Forest Avenue. Chairman Moyer seconded the motion. **Motion carried 4-0.**

APPOINTMENT TO DERRY TOWNSHIP MUNICIPAL AUTHORITY:

Mrs. Henry stated Mr. Duncan has been deployed and will not be able to serve the Authority. She stated Mr. Corado was on the Authority and can complete the unexpired term for Mr. Duncan.

Supervisor Engle made a motion appointing Mr. Michael Corado to the Derry Township Municipal Authority for a term that will expire on December 31, 2018. Supervisor Zmuda seconded the motion. **Motion carried 4-0.**

CORRESPONDENCE BOARD/COMMITTEE INFORMATION:

Supervisor Zmuda thanked Public Works for the great job they did with the last snow. Chairman Moyer attended the Fire Company's banquet. He spoke about his admiration for what they do along with their dedication.

REPORTS:

<u>Police</u>	Chief Warner spoke about the Hershey Lions Officer of the Year award being presented to Officer Mary Kepple.
<u>Fire</u>	Mr. Stein stated Leonard Colton was firefighter of the year for 2017. He thanked the Board for their foresight with sprinklers systems and spoke of a recent fire where the system helped to contain the fire.
<u>Recreation</u>	Mr. Mandia spoke about the civil engineers being on site and the kickoff meeting. They are working toward a public meeting in April to discuss the schematics.
<u>Engineer</u>	Supervisor Cort asked if the pedestrian signs could be put on Wood Road for the crosswalk as it is being used. Mr. Bonanno will work with Public Works on this.
<u>Community Development</u>	Mr. Emerick stated a vote for the public hearing held tonight will be on the agenda for March 13. He spoke about two premier awards the Township received for Park Boulevard and the new zoning ordinance.
<u>Economic Development</u>	Ms. Zumbrun spoke about a redevelopment funding opportunity which could play a role with the Recreation Center. She stated they can ask for \$10 million which would have a \$5 million match. ICDA could submit the application with the Township. The Board agreed with moving forward with this.

ACCOUNTS PAYABLE and PAYROLL:

Chairman Moyer made a motion to approve accounts payable in the amount of \$618,347.94 and two Payrolls of \$666,353.51. Supervisor Engle seconded the motion. **Motion carried 4-0.**

VISITOR/PUBLIC COMMENTS:

Mr. Robert Naeye, 1465 Jill Drive, stated he is here tonight to represent the Sun. Mr. Charles Huth is no longer writing for the Sun.

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ADJOURNMENT:

Supervisor Zmuda made a motion to adjourn the meeting at 8:00 p.m. Supervisor Cort seconded the motion. **Motion carried 4-0.**

SUBMITTED BY:

Justin C. Engle
Township Secretary