

TOWNSHIP OF DERRY
BOARD OF SUPERVISORS MEETING MINUTES
SEPTEMBER 11, 2018

CALL TO ORDER

Chairman Marc A. Moyer called the September 11, 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. The Board met in Executive Session to discuss land and legal issues. He advised that all public meetings are recorded for providing accurate notes. After the Pledge of Allegiance, a roll call was conducted.

IN ATTENDANCE:

SUPERVISORS

Marc A. Moyer, Chairman
Matthew A. Weir, Vice Chairman
Justin C. Engle, Secretary
Richard D. Zmuda
Susan M. Cort

ALSO PRESENT:

Jill Henry, Assistant Township Manager
Jon A. Yost, Township Solicitor
Chuck Emerick, Director of Community Development
Robert Piccolo, Assistant Director of Public Works
Chief Garth Warner, Police Department
David Sassaman, Hershey Volunteer Fire Company
Matthew Mandia, Director of Parks and Recreation
Cheryl Lontz, Manager of Payroll and Employees
Laura O'Grady, Director of Hershey Public Library
Lauren Zumbrun, Economic Development Manager
Aaron Moyer, HRG Engineer
Julie Echterling, Recorder

Public in Attendance:

The following were in attendance: Rich Gamble, Stephanie DeDonatis, Thomas DeDonatis, John Foley, Matthew Bennett, Nicole Sassaman, Jan Sassaman, Robert Naeye, Tracy Brown, Carl and Sandy Pharmed, Jay Franklin, Cristen Franklin, Lindsay Drew, Crystal Oyerly, Calista Oyerly, Adrienne Kulasinsky, Magill Zagaceta, Phil Frederich, Sydney Srasz, Maddie Serfass, Catherine Martin, Ava Buck, Terri Martin, Patti Serfass, Rita Smith, Evan Diacou, Marty Stabley, Susan Edris, Tony Potter, Brian Link, Barbara Steele, Matt Masek, Annette Guss, and Tony Stay

APPROVAL OF MEETING MINUTES:

Supervisor Cort made a motion to approve the minutes of the August 28, 2018 Public Hearing Meeting of the Board of Supervisors. Chairman Moyer seconded the motion. **Motion carried 5-0.**

Supervisor Engle made a motion to approve the minutes of the August 28, 2018 Public Meeting of the Board of Supervisors. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

VISITOR/PUBLIC COMMENTS:

Mr. Rich Gamble asked if the Board had reached out to the school district, state representative or HE&R about the entertainment tax. He spoke about the bylaws for the school district, state Board members aren't to be paid and asked the Board to consider deferring their salary toward the Recreation Center and giving back to the community. He asked them to consider the tax structure as many senior citizens can't afford another tax increase.

Calista Oyerly, who is in middle school, thanked the Board for the planning of the Recreation Center.

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Tracy Brown read an email she sent the Board. She spoke about the salary differences in the Township. She spoke about the increase in the percentage of students receiving free lunches in the Township which was at 19% in 2015. She discussed the Hershey Food Bank, which provides food to residents in the Township and helps with electric and rent. She spoke about everyone being taxed for the Recreation Center while 21% use the facility. She hasn't heard anything about a sliding fee schedule for residents who can't afford the full membership fee. She hopes there is a sliding fee based on income for the new Center.

Brian Link spoke about the schedule for the Recreation Center. He discussed the delay in steel and the tariffs on foreign steels recently. He spoke about concerns he had with the timing of the bidding and other items in the schedule. He encouraged the Board to delay the schedule to receive more funding and to put this on a referendum and let the democratic process work.

NEW BUSINESS:

HERSHEY LIBRARY SUMMER READING PROGRAM TOP READER RECOGNITION:

Mrs. O'Grady spoke about the summer reading program and the number of minutes the children read over the summer. India Franklin, Dylan Do and Anna Wang were honored for being the top three readers for the program. A certificate was presented to each of them during the meeting by Chairman Moyer.

PFM FINANCIAL ADVISORS PRESENTATION:

Mr. Scott Shearer, PFM Financial Advisors LLC, provided a presentation on multi-year financial planning. He stated the overall goal was to continue to make Derry Township a great place to live and work by providing residents with a high quality of life. To facilitate this goal the Township undertook initiatives with economic development, recreation, and infrastructure. He discussed the initiatives to improve the high quality of life for Derry Township including recreation. He stated if the Recreation Center is built as contemplated and the Capital Campaign is successful, the estimated real estate tax increase is 0.576 mills. He discussed items that could decrease or increase the rates.

He discussed their previous presentation to the Township, which included the basics of financial planning models and how to build them. He outlined the planning that has already taken place and why modeling is helpful in the decision process. The point of modeling is to allow the Township to start thinking about the future projects and the effect they have on the budget. He stated the Capital Budget has a deficit budgeted for 2018. The Recreation Center has an assumed net cost, after the capital campaign, of \$27 million. In June, they had presented the possibility of future millage increases to cover the general and capital funds through 2025 ranges from 0.93 to 1.73. This information allowed for planning to help reduce this potential increase. He stated the Township recently received a price for the Tower Ladder replacement for the Fire Company which will increase the estimated cost by about \$17,000 a year for 10 years. He spoke about the positive economic impact report for the Hershey West End Project which are better than the conservative estimates.

He spoke about the plan for PFM's dedicated Management and Budget Consulting team who can help guide the Township through its future budget processes. The consulting team can help the Township with revenue enhancements, debt related refinancing or restructuring opportunities and other initiatives. The goal will be to keep any real estate tax increase required, as low as possible for the residents while sustaining a financially healthy Township. He stated the bottom line of a planning model is the effective

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fiscal responsible management equals comparison of status quo projections versus projections assuming new initiatives.

Vice Chairman Weir asked about the higher millage rates which residents are concerned about. Mr. Shearer spoke about the millage projected as being lower than the initial projections which didn't include any possible grant awards. Mr. Kapstein discussed the millage and how it could be spread over three years. Supervisor Engle asked about the status quo and how they multiplied expenses based on normal increases which won't apply to all expenses. He believes the Township needs to tighten the belt and they need PFM to help show the ways to do this. Mr. Shearer spoke about how proper planning could help with this tightening. Supervisor Engle asked if they tighten their belts, was it possible to avoid a tax increase for the next 5-7 years and Mr. Shearer said it is possible. Chairman Moyer asked them if they have spoken to the Township Directors and they said no. Chairman Moyer said the model is good but the Directors know what Capital is needed in the upcoming years with dump trucks, Police cars, computer and software, and other such items. He asked if they were saying they don't need these items and Mr. Shearer stated they aren't saying that. Chairman Moyer spoke about the difference between tightening a belt and obtaining needed items for operation. Mr. Shearer spoke about different options that could save money for the capital items needed with leases and other such options.

PERFORMANCE SECURITY PLAT NO. 1216 -777 MIDDLETOWN ROAD:

Chairman Moyer made a motion to authorize the release of the remaining balance (\$67,735.56) of the performance security held as Reliance Bank Letter of Credit No. 072715A for Lot 1 of Plat #1216, conditional upon maintenance security in the amount of \$11,694.90 being provided in an acceptable form and the standard Maintenance Security Agreement being executed. Supervisor Cort seconded the motion. **Motion carried 5-0.**

HALLOWEEN PARADE OCTOBER 16TH :

Chairman Moyer made a motion authorizing the 70th Annual Halloween Parade on Tuesday, October 16, 2018 at 7:00 p.m. with a severe weather make-up of Wednesday October 17, 2018 at 7:00 p.m. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

TRICK OR TREAT DATE:

Chairman Moyer made a motion to establish trick or treat activities for 2018 for Derry Township on Wednesday, October 31, 2018 between the hours of 6:00 and 8:00 p.m. Supervisor Cort seconded the motion. **Motion carried 5-0.**

9TH ANNUAL HERSHEY ENTERTAINMENT -OCTOBER 21ST:

Chairman Moyer made a motion to approve the request to hold the 9th Annual Hershey Half Marathon on Sunday, October 21, 2018 starting at 7:30 a.m. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

CORRESPONDENCE BOARD/COMMITTEE INFORMATION:

Vice Chairman Weir spoke about the August 29 meeting on stormwater landscaping. Supervisor Cort spoke about the All Things Diversity starting this week with meetings running through May.

REPORTS:

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<u>Fire</u>	Mr. Sassaman stated the Fire Company had 89 calls in August.
<u>Public Works</u>	Mr. Piccolo spoke about the salt being delivered today for the winter weather.
<u>Recreation</u>	Mr. Mandia asked Tracy Brown to work with them on the fee structure.
<u>Economic Development</u>	Ms. Zumbrun stated the Downtown meeting has been scheduled for October 5 th . She spoke about two road programs kicking off which will be on the website. The bike/pedestrian committee will be on October 7 th .

ACCOUNTS PAYABLE and PAYROLL:

Chairman Moyer made a motion to approve accounts payable in the amount of \$257,967.65 and Payroll of \$342,193.05. Supervisor Cort seconded the motion. **Motion carried 5-0.**

VISITOR/PUBLIC COMMENTS:

Mr. Evan Diacou, 184 Jacobs Creek Drive, asked the Board for an update on the afterschool program. Chairman Moyer stated when there is an update they will share one as they are working on it. Mr. Diacou spoke about the high demand and how 72% of school children have two parents working in the Township and need care. He spoke about expanding the program and how it won't increase taxes as it can be paid by those using the service. He spoke about the proposed tax increase spoken about tonight and how it could be an 87-90% increase in taxes. Supervisor Engle spoke about how it could be lower and how potential revenues would decrease the potential increase in taxes.

Mr. Rich Gamble stated he appreciated the Board and their dedication. He spoke about the school Board members who don't get reimbursed for their service. He asked what the Board is being paid and expenses and put it in The Sun and give back. Supervisor Engle stated they receive about \$2,500 a year and he has committed more than that to the Recreation Center.

Mrs. Lindsay Coulter, 73 Carousel Circle, spoke about the state education code which doesn't allow school board members to receive money for their services. She spoke about the demand for after school care in the Township. She hopes to see the program expand in the new Center. She spoke about the Center and thought other residents should look into the numbers and should try and understand them for themselves. She spoke about the senior citizen rebate available for senior citizens based on income. She suggested it be on the Township's website. She spoke about a bill being considered to freeze senior citizens' taxes. She asked the Board to not exclude any residents in the Recreation Center. She thanked them for their service.

Mr. Tom DeDonatis stated he is a lifelong resident. He looked at the website and had some questions about the amount of debt which Supervisor Engle explained. He asked about what would happen if they didn't receive \$5 million in the Capital Campaign or don't receive a grant. He stated the Board they would have to tighten their belt. He suggested taking the 50-meter pool off now which increased the price by 23%. Supervisor Engle explained there were other costs included in the pricing of the pools. He is worried about the bids and asked if they could postpone the vote until the bids are received. Mr. Greg Koussis spoke about the cost estimates they have been doing and how the final bids would be

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brought to the Board on February 26th. Supervisor Engle stated there would be two more votes on the project. Mr. DeDonatis discussed the possibility the bids will come in high and spoke about the steel tariffs. He asked about the smaller pool versus the large one. The Board spoke about the potential revenues and the demand for pool space. Mr. Mandia spoke about the pool schedule and how there isn't space in the schedule for new events. He spoke about the new pool and how it would allow more access for residents to the pool. He spoke about the Ballard operational analysis.

Mrs. Stephanie DeDonatis spoke about the increase in traffic and the money for infrastructure that will be needed for the new Recreation Center. She asked the Board to keep their eyes on the infrastructure. She asked what would happen if it goes over budget or there is a big sink hole.

Mr. Bryan Link challenged the PFM comment that it is possible not to have a tax increase with the Recreation Center. He spoke about the Lititz Recreation Center, which was built in 1987 for \$1.2 million. With inflation that would be \$4 million today. He discussed the Center and stated he isn't against the Recreation Center but thinks it could cost less. He spoke about the 12 swim meets that are anticipated for the Recreation Center and is concerned about this number. Supervisor Engle spoke about meeting with the consultants and discussed the need for a 50-meter pool for the area.

Mr. Ken Ferguson spoke about how the 50-meter pool will allow more access for residents to the pool. He believes the pool will allow meets and also meet the needs of the community. He stated it is a no brainer to look at the amusement tax. He believes if you doubled the tax it could take care of the financing for the project. He believes the Board should ask for the increase and allow it to be on HE&R versus the Board not asking.

ADJOURNMENT:

Chairman Moyer made a motion to adjourn the meeting at 8:54 p.m. Supervisor Engle seconded the motion. **Motion carried 5-0.**

SUBMITTED BY:

Justin C. Engle
Township Secretary