

**TOWNSHIP OF DERRY**  
**BOARD OF SUPERVISORS MEETING MINUTES**  
**AUGUST 25, 2020**

**CALL TO ORDER**

*In order to ensure public safety during the COVID-19 crisis, the August 25, 2020 meeting was held by audio and video conferencing via a Zoom Virtual Webinar and shown live on YouTube on the Derry Township YouTube page.*

Chairman Abruzzo called the August 25, 2020 Regular Meeting of the Township of Derry Board of Supervisors to order at 7:02 p.m. via video conferencing with a Zoom Virtual Webinar through the on-line Meeting Room. He advised that all public meetings are recorded for providing accurate notes. After the Pledge of Allegiance, a roll call was performed. He stated there was a 6 p.m. public hearing on a conditional use request. He noted there was not an executive session of the Board tonight.

**IN ATTENDANCE:**

**SUPERVISORS**

E. Christopher Abruzzo, Chairman  
Natalie L. Nutt, Vice Chairwoman  
Carter E. Wyckoff, Secretary  
Richard D. Zmuda  
Susan M. Cort

**ALSO PRESENT:**

Christopher Christman, Township Manager  
Patrick Armstrong, Township Solicitor  
Chuck Emerick, Director of Community Development  
Thomas Clark, Director of Public Works  
Chief Garth Warner, Police Department  
Rodney Sonderman, Hershey Volunteer Fire Department  
Zachary Jackson, Assistant Director of Parks and Recreation  
Cheryl Lontz, Manager of Payroll & Employee Benefits  
Laura O'Grady, Director of Hershey Public Library  
Lauren Zumbrun, Economic Development Manager  
Matt Bonanno, HRG Engineer  
Brian Blahusch, IT Director  
Julie Echterling, Recorder

**VISITOR/PUBLIC COMMENTS:**

Mr. Kevin Ferguson, Quail Hollow Road, was hoping to hear an update on the change order for the Community Center. He believes the silence on this change order regarding the pool to make the community center smaller means it was not the savings they had hoped for. If you subtract the cost of design changes and the additional cost of \$280,000 for the foundation, we could be getting a smaller center for the same cost. It is possible that we will be paying more for a smaller community center if we lose donations and do not realize the entire \$2 million RACP grant. Both the grant request and donations pledged were on the original design of a 50-meter pool. What we do not receive will be passed on to the taxpayers and it would cost us more money. He noted this is the largest project for taxpayers and he would like to hear an update.

Frank Harris, 1305 Edgewood Drive, heard that the Supervisors were considering closing the 911 call center. He recently had to call 911 and there was an EMT in his living room in 10 minutes. He is wondering why and what is the rationale for this issue.

Mr. Justin (*refused to provide his last name*) was calling as a concerned resident. He asked why you are dismantling the call center and why it was not brought up before this meeting. He asked if they were going to take a vote tonight.

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**ADOPTION OF MINUTES**

Supervisor Cort made a motion to adopt the minutes for the August 11, 2020 Board of Supervisors Regular Meeting. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

**NEW BUSINESS:**

**UPDATE ON FY2020 BUDGET:**

Mr. Christman highlighted the current financial situation for the Township through July 2020. He spoke about the 11 funds the Township now utilizes and the 2020 budget. He stated 85% of the Township's revenues are from Act 511 Local Enabling Taxes (real estate transfer, earned income, local services, occupation, amusement, and parking taxes) and Real Estate Property Taxes. He stated \$2.3 million is budgeted in revenue for amusement and parking tax. He spoke about the entertainment taxes and the impact of the shortened season for Hersheypark. He noted, at best, the Township may only realize 30% of the anticipated revenues. In addition, the Pilot Payments for the Giant Center will not be paid this year or 2021. This will create an additional shortfall of \$230,000. The budgetary shortfall could be in excess of \$1.6 million for 2020 and affect services for 2021.

He went over the General Fund revenues. He spoke about the impact of lost revenues and the possibility of reducing services for the FY2021 budget. He stated they are taking the following steps:

- Continue to monitor all revenues
- Close revenue gaps with targeted cuts across the budget
- Immediate deferral of all non-essential capital projects -which they have done.
- Evaluate debt service restructuring to take advantage of the current low interest rate market
- Any current vacancies, beyond those needed for essential services are being frozen for 2020.
- Continue furloughing FT/PT employees in non-essential roles to reduce personnel costs.
- Reduce PT employee hours for all Township services.
- Eliminate non-essential contracts

He noted to date, the overall Township workforce has been reduced by 18% and should be reduced by 27% by the end of the year.

He went over the revenues for the General Fund illustrating the differences between 2019 and this year. He noted, to date, the Township has only received approximately \$101,000 in Amusement and Entertainment taxes for 2020. We received \$800,000 at this time in 2019. He has not received any indication from HMC that they will not pay their Pilot payment. They should receive \$115,000 by December.

He stated after careful consideration, Administration is recommending to the Board that the Derry Township Communication Center be closed, and their function be forwarded to Dauphin County. He noted, currently 39 of the 40 municipalities use Dauphin County's call center. He spoke with three large municipalities about the Dauphin County call center and they all were pleased with their service and highly recommended the township move to them. All Fire and EMS calls are currently being handled by Dauphin County now. He went over a flowchart and to show how all calls are now flowing. He spoke about the certifications that Dauphin County and their dispatchers hold.

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He discussed the planning for the FY2021 budget. The goal is to hold the line on real estate taxes, evaluate all departments and eliminate services that can be provided by another entity. Collective bargaining agreements will be looked at. We will continue to evaluate debt service restructuring opportunities and refocus on our building reserve.

He asked the Board to consider sending a letter to Dauphin County for the purpose of transferring police dispatch to County Control. He noted there are details and timelines to be worked out. This request is not for final approval as the Board will have to approval the final move to Dauphin County.

Chairman Abruzzo spoke about the non-emergency number of Derry Township being used and the hours and timing that this would be available. Vice Chairwoman Nutt asked who backed up Dauphin County call center. Mr. Christman stated he was told it is Lancaster County. Supervisor Cort spoke about the discussions and meetings about this issue that were held in 2016. This decision is not being taken lightly. She spoke about educating the public for this change. Mr. Christman spoke about his experience with transitioning call centers in the past. He spoke about how Dauphin County could handle our calls as it handles all the other municipalities in the County.

Chief Warner spoke about the different level of service that would be provided by Dauphin County compared to what they have now. He noted the interaction would be different. They receive approximately 27,000 calls a year and approximately 65% of those calls are entered into the system by Derry's call center. He is not sure Dauphin County comprehends the increase they will experience with this change over. He knows the Board needs to make the decision and it can be done, but not at the same level of service provided today.

Supervisor Cort asked if we switch now, can we go back to our own call center. Mr. Christman stated they could. Supervisor Zmuda noted that taxpayers are paying the County and Township taxes for the same service and asked what the cost savings would be. Mr. Christman stated it would generate a savings of \$550,000. Supervisor Zmuda asked if the Center is not cut, what would happen. Mr. Christman spoke about the need for services to be cut everywhere. The Public Library hours were cut and the next step could be closing the library. Supervisor Zmuda asked about the businesses who use the Center and helping with the costs. Mr. Christman spoke with HE&R and they do not have the money to help at this time.

Vice Chairwoman Nutt asked about the employees of the Center. Mr. Christman stated there are open positions at Dauphin County call center, MS Hershey School and State Police for dispatchers. Supervisor Wyckoff addressed the concerns of some that this is defunding the Police. He noted it is not and they support the Police and the work they do. He noted they recently hired four new officers.

Chairman Abruzzo spoke about some of the details that need to be worked out with the transition and the non-emergency calls and timing before a final decision is made. He noted the Police Department is half of the Township budget and he does not want to see their complement of officers' change. He does not want to expose our officers to any additional risk. Mr. Christman spoke about the options of cutting expenses or raising taxes. He shared his concerns and how serious this deficit is for the Township. He noted there is \$4.5 million in reserve. Ideally the Township should have 10-15% of their budget in reserve. He believes the amusement and entertainment taxes should be "if income" revenues rather than

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relying on them. They should not be included in the numbers for the 2021 budget. This will allow more restraint on budgeting.

Solicitor Armstrong suggested allowing for public comment on this issue since it was not spelled out as an item on the agenda but was under Budget discussion.

Mr. Todd Pagliarulo, 321 Concord Court, spoke about watching the Police and Public Works departments grow in Hershey. He believes Dauphin County is excellent and can handle the calls, however the personal service will not be the same. He asked the Board to look at other departments that do not have to do with the health and wellbeing of the residents of the Township for cuts instead of Public Safety.

Mr. Frank Harris, 1305 Edgewood Drive, understands this is a difficult task and asked what the cost benefit analysis is for this decision. He has been satisfied with their service and hates to see it go. He asked about a tax increase instead of eliminating this service.

Mr. Andy Andrews, 404 Hockersville Road, asked why they do not just use the reserve funds since it will not be a large portion of the reserve. He asked for the reasoning on not using the reserve fund.

Mr. Joe (last name not provided), lives in the village, believes this is bad timing and optics. He believes it is condescending when you say you will educate the residents. He believes it is bad timing with all the social unrest and believes this is defunding the Police.

Mr. Rich Gamble, Hockersville Road, agrees with Mr. Pagliarulo's comments. He believes they have the best Police in the state. Taking this service away adds more risk to the officers. He asked what happens with a big fire or flooding. He asked them to reconsider this option and agrees with Chief Warner's comments about service.

Mrs. Cindy Jones, 600 Waltonville Road, spoke about the timing of this option. She asked if they are looking at services available at the County, and why not the Library instead of the Police. She believes it is important to hear all the information before making the decision.

Mr. John Foley, 238 Mine Road, spoke about how critical the dispatch service is in Derry Township. He noted the backup for Dauphin County is Adams and Franklin Counties not Lancaster. He questioned the savings of \$550,000 when there are five full-time and four part-time workers. He noted all the radios and licensing will still be an expense. He spoke about the uniqueness of the Township with a Class One Trauma unit and the number of visitors that attracts. In addition, there are 4.5 million visitors to the area annually for the park and events. He noted this is a moment in time. He suggested reducing the 24/7 coverage Sunday night through Thursday night to save money instead of moving everything to the County.

Mrs. Linda Eyer, 2321 Raleigh Road, suggested asking Public Safety how they can save the \$550,000 needed to keep the township dispatch center.

Mrs. Cate Hottenstein, 229 Cocoa Ave., works in law enforcement outside the Township. She spoke about how important the dispatch is for the Township. She spoke about an incident in front of her house

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and the frustration speaking with Dauphin County 911 while she helped someone who was injured in an auto accident. She noted the three municipalities Mr. Christman spoke to are not tourist towns. Calling Derry Township Call Center results in an easier and faster response. The CSO's can handle calls such as broken-down motorists while police officers are handling other calls. She does not want to see the CSO's eliminated. She noted the police officers need to be kept safe.

Chairman Abruzzo asked Mr. Christman if the CSO's were part of the force reduction. He stated no. Chairman Abruzzo asked about the backup for Dauphin County. Chief Warner stated it is Adams County and another County now. The Board discussed the next steps and timing. They discussed having this on the agenda and starting the meeting at 6 p.m. for more conversation. Details of the transition and how calls would be handled including non-emergency calls will be shared. Mr. Christman stated he could send the letter out tomorrow and would provide the information to the Board as soon as he hears back from the County.

Supervisor Zmuda made a motion to authorize the Township Manager, Christopher Christman, to send a letter to Dauphin County Department of Public Safety for the purpose of transferring emergency dispatch service to County Control and to receive details of the transition. Vice Chairwoman Nutt seconded the motion. **Motion passed 5-0.**

**GUARANTEED REVENUE BONDS, SERIES 2020-MUNICIPAL COMPLEX:**

Mr. Christman stated, with the current interest rates in the bond market, there is an opportunity to refinance a portion of the 2015 bonds, issued by the ICDA, for the municipal complex. This refinancing will result in a net reduction of debt service payments for FY2020 in the amount of \$726,000. He noted the Derry Township Industrial & Commercial Development Authority met on August 20 and authorized the finance team to proceed pending approval by the Board.

Mr. Lou Verdelli, RBC Capital, provided a presentation to the Board. He spoke about the history of the Municipal Complex debt from 2005. The \$10 million debt has a 5-year call option and he spoke about the refinancing in 2010 and 2015. These refinances changed the interest rate but not the length of the loan. The proposal is to have the 2020 refinance extend the bonds to 2040. He discussed the record low interest rates and the proposed savings of \$726,000. He went over the schedule of payments and how they would change based on this refinancing. He discussed the schedule for closing on the bonds including a settlement date of October 22.

Chairman Abruzzo made a motion to authorize the Administration to work with RBC Capital Markets, as bond underwriter and McNees, Wallace, & Nurick, LLC, as bond counsel, to prepare the necessary documents for the issuance of Township of Derry Industrial & Commercial Development Authority, Guaranteed Revenue Bonds, Series of 2020. Vice Chairwoman Nutt seconded the motion. **Motion carried 5-0.**

**RESOLUTIONS 2020-22-26 DAUPHIN COUNTY LOCAL SHARE MUNICIPAL GRANTS:**

Mrs. Zumbrun discussed the Dauphin County Local Share Municipal Grant process. She noted that there would be less funding available this round. She spoke about the process tonight, the County meetings and awarding will be early next year. She noted they are in the order they were received at the Township. Below are the five organizations applying this year and their information:

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1. Derry Township. A request for funding of \$157,069.85 for the second year of a lease to the purchase arrangement for radio replacements for the Police Department and Public Works Department. The Township anticipates this will be the second year of a three-year annual request. Lieutenant Roche discussed the 85 new radios needed and how the parts for the old radios are no longer available. They did receive the grant for year one. Vice Chairwoman Nutt asked if the grant is provided, are these costs absorbed in the 2021 budget. The answer was yes, if it is not awarded to the Township, the Township would need to pay for this lease payment.
2. Hershey Volunteer Fire Company. A \$139,675 request for funding for radio replacements. It is anticipated this will be the first year of a three-year annual request. Mr. Sonderman spoke about the need to replace 68 radios which are out of date like the Police and Public Works Departments. They will be replacing them over the next three years and will use the grant money to pay for them. They will also use relief money to help purchase them if necessary.
3. Hershey American Legion. A request of \$43,290 for the Main Building and Rental House Roof Replacement project. Mr. Kautz spoke about the professional estimate they received for the roofs for their two buildings. He noted the one roof needs immediate attention. They have reduced revenues as a result of the effects of the COVID shutdown. He noted that Police and Fire should be first and second in priority for these grants.
4. Hershey-Derry Township Historical Society. A request of \$14,000 for the Milk House Renovation project. Mr. Lou Verdelli spoke about the improvements made to the campus. They are seeking to restore the Milk House. They hope to market the rentals after things return to normal. Mrs. Nikki Soliday noted they received \$30,000 which was used toward paving in 2018.
5. Derry Township School District. An original request of \$250,000 was made for the Safe Schools Renovation project. Mr. Mike Frenz spoke about the 2018 vulnerability assessment of the schools. From this, a list of security improvements was provided, and some have been completed. They will reduce their requested amount from \$250,000 to \$75,000 understanding the amount of grants will be less this year. He went through his presentation on the safety measures they are implementing and the costs. They would use the grant money to help fund the parking lot and traffic flow issues for the High school which is a \$300,000 project. He asked that they be ranked higher than priority five because of the safety steps they are taking for the schools and children.

The Board discussed the ranking of the requests and asked questions of the applicants.

Chairman Abruzzo made a motion to adopt Resolution 2020-22 to authorize submission of an application for Police and Public Works Department radios to the Dauphin County Local Share Municipal Grant Program as the number **one** priority of the Township. Supervisor Cort seconded the motion. **Motion carried 5-0.**

Chairman Abruzzo made a motion to adopt Resolution 2020-23 a resolution sponsoring and supporting the Township of Derry and Hershey Volunteer Fire Company's radio replacement project for submission to the Dauphin County Local Share Municipal Grant Program as priority number **two** of the Township. Supervisor Cort seconded the motion. **Motion carried 5-0.**

Chairman Abruzzo made a motion to adopt Resolution 2020-24 a resolution sponsoring and supporting the Township of Derry and Hershey American Legion's request for funding for the main building and rental house roof replacement for submission to the Dauphin County Local Share Municipal Grant

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Program as priority number **four** of the Township. Supervisor Cort seconded the motion. **Motion carried 5-0.**

Chairman Abruzzo made a motion to adopt Resolution 2020-25 a resolution sponsoring and supporting the Township of Derry and Hershey-Derry Township Historical Society's request for funding of the Milk House Renovation Project for submission to the Dauphin County Local Share Municipal Grant Program as priority number **five** for the Township. Supervisor Cort seconded the motion. **Motion carried 5-0.**

Chairman Abruzzo made a motion to adopt Resolution 2020-26 a resolution sponsoring and supporting the Township of Derry and Derry Township School District's request for funding of the safe schools renovation project for submission to the Dauphin County Local Share Municipal Grant Program as priority number **three** for the Township. Supervisor Cort seconded the motion. **Motion carried 5-0.**

**RESOLUTION 2020-21-DAUPHIN COUNTY CARES ACT MUNICIPAL GRANT PROGRAM:**

Mrs. Zumbrun stated the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020 and aims to protect the American people from the public health and economic impacts of COVID-19 and provide for assistance to local governments. Pennsylvania Act 24 of 2020 was signed into law on May 29, 2020 providing \$625 million in CARES Act funding by means of block grants for counties in the Commonwealth. Derry Township is submitting an application requesting \$3,589,937.91 to offset costs associated with the Township's response to COVID-19. Eligible expenditures include front line responder salaries, technology upgrades to enable virtual meetings and remote work, and PPE. While it is not likely we will receive the full amount requested due to the finite amount of funding available, we are hopeful that any award received will help to offset the budgetary impacts which the Township is currently experiencing. She noted the money should be received before the end of the year and is only for reimbursement of expenses and not lost revenue.

Supervisor Cort made a motion to adopt Resolution 2020-21 to formally apply for CARES funding through the Dauphin County CARES Act Municipal Grant Program. Vice Chairwoman Nutt seconded the motion. **Motion carried 5-0.**

**PERFORMANCE SECURITY-PLAT 1297-ENGLEWOOD BARN:**

Vice Chairwoman Nutt made a motion to authorize the release of \$913,031.00 from the performance security provided as Hershey Trust Company Letter of Credit No. 2018-02 for the Preliminary/Final Land Development Plan for Englewood Barn, Plat 1297, resulting in a new balance of \$149,564.00. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

**FINANCIAL SECURITIES:**

Chairman Abruzzo made a motion to approve the following four motions:

A motion to authorize the full release of cash financial security in the amount of \$6,736.00, which had been provided for the Stormwater Management Plan for 170 West Governor Road, S-2019-024.

A motion to authorize the full release of cash financial security in the amount of \$5,983.00, which had been provided for the Stormwater Management Site Plan for 1439 Sand Hill Road, S-2019-022.

A motion to authorize the release of \$7,632.00 from the cash financial security provided for the Stormwater Management Plan for Morris Leasing, LLC, S-2019-028, resulting in a new balance of \$3,339.00.

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A motion to the full release of cash financial security in the amount of \$6,983.00, which had been provided for the Stormwater Management Plan for Legacy Landing – Lot 1, S-2019-026. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

**CORRESPONDENCE BOARD/COMMITTEE INFORMATION:**

Supervisor Zmuda reminded residents voting by mail to register early and make sure they read the instructions with the two envelopes. He also encouraged everyone to continue to wear masks. Supervisor Cort spoke about the successful ribbon cutting ceremony for the Library. Vice Chairwoman Nutt spoke about the ICDA meeting she attended. She spoke about the impact COVID has had on HE&R and hotel taxes. She noted the meeting is on YouTube for anyone to watch the HE&R presentation. She also attended the Library ribbon cutting ceremony. Supervisor Wyckoff spoke about the DTMA meeting and the energy bid for \$12.2 million. He spoke about upcoming projects. He killed a spotted lantern fly and asked that something go out in the e-news informing residents about the spotted lantern fly. Chairman Abruzzo was part of the ICDA meeting and was at the Library ribbon cutting ceremony. Mrs. O’Grady hosted a terrific event and the Library looks great.

**REPORTS:**

<u>Police</u>	To follow-up from our earlier discussion on the Communications Center, the Township has very difficult decisions to make to keep everything afloat. I appreciate you looking into all aspects of this and trying to make an informed decision.
<u>Fire</u>	Mr. Sonderman stated the fire company has been busy with fires and rescues. He reminded residents that coals from a barbeque need time to cool before putting them in a plastic garbage bin. They will be sending out reminder letters for donations as they sent out 12,000 and received about 1,200 back so far.
<u>Public Works</u>	Mr. Clark will have Mr. Piccolo write something about the spotted lantern fly for the e-news because he is very knowledgeable about the issue.
<u>Library</u>	Mrs. O’Grady thanked everyone for a successful ribbon cutting ceremony. She noted they have 980,000 minutes logged for the summer reading program and hope to have 1 million.
<u>Finance</u>	Mrs. Lontz stated she will be sending out information for the departments to do their budget this year on the new software.
<u>Parks &amp; Recreation</u>	Mr. Jackson shared the demolition is about 95% completed. They are about 85% done with the outdoor pool plumbing and walls. They are working on the library parking space and will start on grading and filling. This Friday is the last drive-in movie for the summer.

**ACCOUNTS PAYABLE and PAYROLL:**

Supervisor Cort made a motion to approve accounts payable in the amount of \$1,071,103.77 and payroll of \$296,646.24. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

**VISITOR/PUBLIC COMMENTS:**

Mr. Rich Gamble, Hockersville Road, spoke about revisiting the amount of amusement tax the Township receives from the sale of each ticket from HE&R. He noted the last increase was \$.10 for the Township and Hershey raised the price of the ticket by 13 cents. He asked them to consider writing a



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5% tax on the ticket price so as the ticket increases so does the tax. He thanked Mr. Emerick for helping to get the site cleaned up that he asked about at the August 11 meeting.

Mr. Kevin Ferguson, 1338 Quail Hollow Road, stated if ever there was a time to challenge the amusement tax agreement, it is now. He stated if any party challenges the agreement, all taxes go into escrow. He noted with the decreased revenues, now would be the time to challenge it.

**ADJOURNMENT:**

Supervisor Cort made a motion to adjourn the meeting at 10:15 p.m. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

**SUBMITTED BY:**

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Carter E. Wyckoff  
Township Secretary