

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Workshop Meeting held October 11, 2011

A workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:05 p.m. by Chairman William B. Hawk, on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hawk were: William C. Seeds, Sr., and Gary A. Crissman.

Also in attendance were George Wolfe, Township Manager; Steven Stine, Township Solicitor; John Snyder, RSR Associates, Inc.; David J. Tshudy, Pepper Hamilton, LLP; and Ted Robertson and Watson Fisher, SWAN.

Pledge of Allegiance

Mr. Crissman led the recitation of the Pledge of Allegiance.

Public Comment

No public comments were provided.

Review of the proposed recreation plan for the
Laurel Ridge land development plan

Mr. Wolfe noted that the Township has a development plan that will be coming for Board approval in regards to additional units in the Laurel Ridge Development that was formerly known as Pheasant Ridge, located off of Linglestown Road in the area of Forest Hills Drive. He noted that the developer desires to discuss with the Board members the recreational requirements, if a fee in lieu would be required, and a proposed developer-installed recreation area on site for the occupants.

Mr. John Snyder, RGS Associates, Inc. noted that he previously discussed this project with the Board in regards to waivers. He noted that the developer would like to improve the recreation facilities internal to the development and discuss how to calculate any remaining

impact fees. He noted, in the area that contains a playing field, a few tennis courts and picnic areas, he would like to create six U-6 soccer fields or three U-8 fields or one U-10 field. He noted that he would like to connect other trails, expand on the playground, install a picnic pavilion, and expand the bicycle paths. He explained that he would like to provide for alternate transportation within the development to get to the recreational areas. He noted that he has discussed these recommendations with staff and the costs, and Mr. Wolfe noted that he would need a certified contractor's estimate for the correct figures for any possible reduction in recreation fees. He noted that the ordinance does permit for a 50% reduction in recreation fees for private recreational amenities.

Mr. Snyder noted that David Tshudy is present to discuss the way the fees are currently calculated by the Township.

Mr. Seeds questioned if the facilities would be for private use. Mr. Snyder answered yes, only for the use of the residents in that community.

Mr. Hawk noted that this information was not available at the time Mr. Snyder presented the original plan to the Board members. Mr. Snyder answered that was correct, and he explained that there are also plans for a community center expansion for weight room and gym facilities. He noted that this it is a little too early in the planning process to know how big the community center would be. Mr. Hawk suggested that without the facilities, there would be a \$226,100 fee in lieu requirement. Mr. Snyder noted that is not the figure that he came up with and that is why he is present trying to understand how the formula works. He noted that the Ordinance requirements have an equation, and there is a resolution that states the \$2,300 per unit requirement. Mr. Wolfe noted that the \$2,300 per unit was an amount per unit in effect until the adoption of the new Subdivision and Land Development Ordinance (SALDO). He noted that the new SALDO now governs that. Mr. Crissman noted that Mr. Snyder had all this information and has met with staff and he questioned if Mr. Snyder was challenging that.

Mr. David Tshudy, attorney with Pepper Hamilton, LLP, explained that he spent a good portion of the day reviewing the resolution, the ordinance, and the state laws that bind the Township in implementing recreation fees. He stated that the Ordinance and the calculations of the ordinance as defined by the resolution is complete nonsense. Mr. Crissman noted when you say it is nonsense, right away... when you say that to me, right away you just turned me off.

Mr. Tshudy stated that was fine...He noted that the resolution calculates an average price per lot without dividing it out by average acreage and by doing that it puts a metric into the equation that makes no sense. He noted that it is nonsense meaning that it makes no sense. Mr. Crissman noted that Mr. Tshudy made those comments to me and you expect me to listen and be attentive to you when you just shot me down. Mr. Tshudy stated that you may ask any questions that you like. Mr. Crissman noted that he is not about to ask any questions as he had just heard Mr. Tshudy make comments that are most insulting to the Township. Mr. Tshudy stated that he did not think it at all... Mr. Crissman noted that those are your words. Mr. Tshudy noted that he would like to understand how this works without breaking down the sale prices into acreage. He noted that he would be glad to put this into writing to provide to the Township Solicitor, but it just seems to... without breaking down the sale prices in the resolution to an acre you are adding a metric that does not lead to an equation. He requested to take everything a step back, noting the purpose for the recreational dedication is to require developers to provide land to the Township for development purposes, and in many cases, the Township does not want the land that could be dedicated, therefore, there needs to be a fair and definite way to determine what that fee-in-lieu of the land dedication is. He noted what needs to be determined is how much the land would cost if the Township was to purchase it using the money that is being provided by the developer in lieu of the land dedication. He noted that you would need to figure out how much the property is worth per acre, and using the equation that came from some document, I'm not sure where, that provided that each developable unit needs to dedicate 0.0423 acres. He noted that you need to determine what the average cost per acre is to come to that conclusion. He noted what the resolution does, instead of figuring out the average cost per acre, is it is the average cost per lot regardless of the size of the unit or lot. He noted that it brings in a metric that doesn't hold true, so he would propose to work with the solicitor to come up with a way that does work. A way that does figure it out by acre using today's land values, and not land values from 2005 in order to come to a fair and equitable fee. He noted that is what he is proposing to the Board and he needs to know, as the State Law requires, that there is a definite way to determine what the fee-in-lieu is without receiving an email from Mr. Wolfe today that it would be \$261,000. He noted that there is no definite way to figure it out. He noted that he is willing to work with the Township to

find a definite way to know what the average land price is per acre to provide to the Township an appropriate fee-in-lieu based upon the requirements of State law and upon the Ordinance as well.

Mr. Seeds noted that staff gets their information from the tax assessments. He noted that it was based on 3.98 acres. Mr. Tshudy noted that he understands that but this is per lot and not per acre. He noted that is the metric that does not work as each of the numbers on the resolution is per lot and you never get what the value of the land is.

Mr. Crissman noted that the Township has a formula in place and if you don't like it and you are challenging the formula, then you should ask us to either change the formula or propose a new formula. He noted that he would suggest that in light of this, Mr. Tshudy should reduce his proposal to writing and submit it for consideration. Mr. Tshudy stated that he could work with that. He apologized for any way that he came across. Mr. Crissman noted that Mr. Tshudy came across very, very negatively and that absolutely shut him down. He noted that most people come to the Board asking us to work with them; however, you started off like gang-busters in a very negative tone. He explained that he was telling Mr. Tshudy how he approached the Board and he did not appreciate being told that this municipality has a ridiculous rule. Mr. Tshudy suggested that he did not use that word. Mr. Crissman suggested that he did.

Mr. Hawk noted that the Township used the 3.98 acres and came up with the \$261,998 figure. He noted that he agreed with Mr. Crissman that Mr. Tshudy started off in a very negative fashion and he obviously disagrees with the way the amount was computed. Mr. Wolfe explained that what Mr. Tshudy is arguing is that the per lot price does not reflect a per acreage price per lot.

Mr. Snyder explained if he was dealing with 92 lots he could say that a lot price is a lot price, however he does not have lots therefore he needs to deal with acres. Mr. Seeds noted that the developer is dealing with 92 units. He noted, under the old formula the fee was \$2,300 therefore taking that amount times 92 would be close to that figure. Mr. Snyder noted that it would be \$211,600 but he is dealing with 3.98 acres. He noted that the resolution has it as a lot price and not a per acre price and he does not think they correlate. Mr. Tshudy explained that is what he is trying to get at. He noted that the numbers that are used are 2005 sales prices for entire lots, some of which were developed at the time they were placed. He noted that it just doesn't seem to compute properly.

Mr. Seeds questioned if the ordinance distinguishes between a unit and a lot. Mr. Wolfe answered no. Mr. Seeds noted that the formula used to be \$2,300, but now the new formula is \$2,800, so if there is no distinction between units and single family homes, you still have to pay the fee. Mr. Tshudy noted that there is a mathematical problem of using lot prices that are not uniformed in size. Mr. Hawk questioned how many lots are there. Mr. Snyder answered that the development has one lot with 92 units. Mr. Seeds noted that it is made up of 12 plus acres. Mr. Tshudy noted that the size of this property is not relevant to the calculation.

Mr. Seeds noted if they were single-family homes in a R-1 zone on 20,000 square feet, it would be roughly 23 units or so. He noted then you would take the 23 units' times the fee and it would be a lot less.

Mr. Hawk questioned how big the lot is. Mr. Snyder answered that it is a total of 60 acres. Mr. Tshudy noted that the size of the lot is not relevant, it is the number of units times whatever the fee-in-lieu would be and it would be 0.423. Mr. Seeds questioned if the units are one to two bedroom units. Mr. Snyder noted that they are a mix of two and three bedroom units. Mr. Seeds noted that you will have families moving into the units. He noted that they will require the same amount of recreational use that a single-family home on a 20,000 square foot or one-acre lot, therefore, in that sense there is no difference for the demand to the Township. Mr. Snyder noted that we are not arguing that but on the same token we also have one-bedroom units that are orientated toward the elderly.

Mr. Crissman noted that this discussion continues to take on tangents, and we need to return to the original issue. He stated that he would return to his original statement to the chair that it would be best if this was reduced to writing, submitting the specifics to Mr. Wolfe and a written response can be prepared. He noted that it would be very clear what the developer is asking for in terms of changes, challenges, or comments. He noted that the Board could respond appropriately. Mr. Tshudy noted that he would address it to Mr. Wolfe.

Mr. Hawk noted that the issue is the value of 3.89 acres. Mr. Tshudy stated that is exactly it. He requested a copy of the current recreation plan. Mr. Wolfe answered that he would provide his with that. Mr. Tshudy noted to be more accurate what is the value of 0.423 acres which is what you have determined per unit that needs to be dedicated. Mr. Hawk questioned how you

would arrive at the fair market value without an appraisal. Mr. Tshudy noted that you have the 2005 Ordinance that does it by lot, but it is not really useful.

Mr. Seeds noted that is not the purpose of the ordinance. He stated that the developer is creating 92 units which means a lot of people and children with a lot of recreational demands on the Township. He noted that it is not just the 3.89 acres, if the Board does not accept the land. Mr. Tshudy noted that there needs to be a definite way for a developer to know what is owed. Mr. Hawk noted that rather than going back and forth, he would prefer that the developer make a proposal to the Township.

Mr. Snyder questioned if the Board had any questions on the plan. Mr. Crissman stated that he would not make any comments until staff has reviewed their proposal and provided their comments to the Board.

Review of the draft Friendship Center 2012 budget

Mr. Wolfe explained that he would remove this item from the agenda since two Board members were not able to attend the meeting. This will be discussed during a future budget meeting.

Review of the 2011 Consulting Engineer's Annual Report for the Harrisburg Advanced Wastewater Treatment Facility

Mr. Wolfe explained that this is a review of a report that the Township receives, on an annual basis, regarding the Harrisburg Advanced Wastewater Treatment Facility (AWTF) for the Harrisburg sewage conveyance system. He noted that two-thirds of the Township's wastewater is treated by this facility. He noted that the wastewater is transmitted into the City of Harrisburg and conveyed to the treatment plant through its sanitary sewer lines.

Mr. Wolfe noted that the report has been prepared by HRG, Inc. which is the consulting engineer for the Harrisburg Authority for wastewater treatment. He noted that it contains information for the operation of the plant through 2011 and is used to prepare the 2012 budget. He noted that Mr. Weaver will be incorporating it into his 2012 budget. He noted at the bottom of the first page, the letter from Ernest Hock, the Public Works Director, states that it serves to notify the Authority that a rate increase may be necessary for 2012 pending a reevaluation study.

Mr. Crissman questioned if Mr. Hock is the current director of Public Works. Mr. Wolfe answered yes and noted that he and staff will be meeting with him on Monday morning.

Mr. Wolfe noted the transmittal letter from HRG, Inc. is also attached. He noted that the City of Harrisburg operates the Harrisburg AWTF through a lease arrangement with the Harrisburg City Authority, working with both entities when it comes to sanitary sewer issues. He noted that this is a different arrangement from what the Township's Authority does as it works under a management agreement. He noted that they detailed the funding for the facility, wastewater conveyance systems, and the operation of the treatment plant. He noted that the plant met its NPDES Permit parameters with the exception of increased suspended solids for a three month period ranging from January 2011 through March 2011. He noted that this was due to the winter weather and the amount of salt that was applied to the roads that had gotten into sanitary sewer system. He noted that it is a combined system, meaning that both the sanitary and storm sewer systems share the same pipes. Mr. Hawk noted that it is a very inefficient system. Mr. Wolfe noted that is not how you would run a system today, but this is how it was built years ago. He explained that this is an issue with the Environmental Protection Agency (EPA) and those municipalities will eventually be required to separate the lines. Mr. Hawk noted that this is totally at odds with the MS4 requirements. Mr. Wolfe noted that most of the Combined Sewer Operations (CSO) combined systems are in older cities and very expensive to dig up and replace, noting that most do not have the financial capital to do the work.

Mr. Wolfe noted that six suburban municipalities are served by the AWTF: Lower Paxton Township, Susquehanna Township, Swatara Township, Penbrook Borough, Paxtang Borough, and Steelton Borough.

Mr. Wolfe noted that the plant underwent an upgrade in 2009, and it has for the most part been completed. He noted as of July 31, 2011, the revenues totaled over \$13,792,826, exceeding the budget by \$88,340. He noted that expenditures totaled \$17,015,887, exceeding the budget by \$180,787. He noted that a November 4, 2010 Draft Sewer-Rate Study recommended a revenue increase of at least 16%. He explained that a final number has not yet been presented to the Township for the 2012 sewer rate. Mr. Crissman questioned when the Township would know the new rate. Mr. Wolfe answered that the rate study was from 2010, and it was not passed on for the

2011 rate schedule. He noted that he does not know how much the rate will increase but the City must make the notification to the Township prior to the end of the year.

Mr. Hawk noted if the EPA is successful in some of their recommendations, 16% may fall short of what is needed. Mr. Wolfe noted if the City has to address the requirements for a Total Maximum Daily Load (TMDL) for the Chesapeake Bay in the Susquehanna River, the cost of treating sewage will increase substantially.

Mr. Wolfe noted that the Harrisburg Authority is evaluating improvements at the AWTF as a result of the Chesapeake Bay TMDL and its NPDES Permit requirements and they have a plan in place that was approved August 21, 2009 by the Department of Environmental Protection (DEP). He noted that it identified a \$35 million project as an upgrade but the City has not updated the costs for that design at this point. He noted that the City does not expect to implement the project in the near future, instead they expect to purchase credits and any upgrades won't occur until 2014. He noted that a rate increase will be determined upon financing for this project, and the design engineering is under way, funded by an H2O Grant from the Commonwealth Financing Authority. He noted that the NPDES permit requirements for CSO improvements affect only the City of Harrisburg and those costs will not have to be born by the other six suburban municipal governments. He noted that staff will convey additional information to the Board as it is received.

Final determination of the ranking of proposed Dauphin
County Local Share Grant applications

Mr. Wolfe explained that he previously asked the Board members, during a recent workshop session, to rank the four grant applications that it was submitting to the Dauphin County Local Share Grant process. He noted that the ranking at that times was: Jonestown Road Bridge replacement project for both Lower Paxton Township and West Hanover Township; Request from the Linglestown Fire Company for funds to address its outstanding debt; Paving of Blackberry Alley East to complete the project; and improvements to North Mountain Road at Blue Ridge Avenue by installing a traffic signal at that location. He noted after the Township submitted the four applications, the Township received a request from the Heroes Grove Committee to support their application which the Board did. He noted that Heroes Grove

Organization is in the process of developing a memorial facility for public safety personnel with that facility to be located in Lower Paxton Township. He noted that the Township sponsored that grant application on behalf of their organization in the amount of \$300,000. He noted that it was not included in the ranking, and Dauphin County has requested that the Township officially rank all five projects in matters of importance.

Mr. Crissman noted that the first four are already ranked and he would not change his ranking. He suggested that the Heroes Grove Application be ranked in fifth place. Mr. Seeds noted that it came in late and should be ranked fifth. Mr. Hawk agreed. Mr. Wolfe noted that he would relay the information to Mr. Memmi at Dauphin County.

Review of the 3rd Quarter Key Indicator Report

Mr. Wolfe explained that he would remove this item from the agenda since two Board members were not able to attend the meeting. This will be discussed during a future budget meeting. He requested the Board to schedule a budget meeting for October 18th at 6 p.m.

“Otta Know” Presentation: Manager’s participation in DEP/PSATS process to develop a stormwater off-site mitigation policy

Mr. Hawk suggested that due to the importance of this topic that further discussion be delayed to a future meeting when all Board members are present.

Improvement Guarantees

Mr. Seeds noted that there were four Improvement Guarantees.

Stray Winds Farm, Phase I

A release in a letter of credit with M&T Bank.

Linglestown Fire Company

A new letter of credit with Centric Bank, in the amount of \$28,600, with an expiration date of October 11, 2012.

6691 Linglestown Road

A release in a letter of credit with Graystone Bank.

Briarsdale Road – 4 Story, 30 Room Hotel

A reduction and extension in a letter of credit with Graystone Bank, in the amount of \$5,180.00, with an expiration date of October 12, 2012. (This date was changed to April 11, 2012.).

Mr. Seeds noted that the Briarsdale Road improvement guarantee was previously given a three month extension to complete the work. He noted that HRG will be making contact with the contractor to explain what needs to be completed. He questioned if another three month extension should be provided. Mr. Wolfe noted that it might be a good idea to provide a six month extension due to the close proximity of winter.

Mr. Crissman made a motion to approve the four improvement guarantees as presented, except, only providing a six-month extension for Briarsdale Road. Mr. Seeds seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Adjournment

There being no further business, Mr. Crissman made a motion to adjourn the meeting, and the meeting adjourned at 6:45 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

Gary A. Crissman
Township Secretary