

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Workshop Meeting held August 10, 2010

A workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:10 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., William L. Hornung, Gary A. Crissman, and David B. Blain.

Also in attendance were George Wolfe, Township Manager; Steven Stine, Township Solicitor; David Johnson, Public Safety Director; Brian Luetchford, Parks and Recreation Director; Tim Houck, Finance Director; Sam Robbins, Public Works Director; Tim Wolff and Corey Wolff, Energy Systems and Installation; Mark DiSanto and Mark Coakley, Triple Crown Corporation; John Kerschner and George Parmer, Parmer Family Foundation; Watson Fisher, and Ted Robertson, SWAN.

Pledge of Allegiance

Mr. Blain led in the recitation of the Pledge of Allegiance.

Public Comment

Mr. Robert Diak, 200 Miller Road explained that he did not like the way the Board adjourned their last meeting as he did not get a chance to speak. He noted that he wanted to meet with Public Safety Director David Johnson. He questioned if he was present at the meeting. Mr. Hawk answered that he was present.

2011 Budget Preparation

Mr. Wolfe noted that this is the first budget meeting for the 2011 Budget, and he would like to explain that current financial status of the Township to the Board members. He explained that he would review the Key Indicator Report dated June 30, 2010.

Key Indicator Report

Mr. Wolfe noted that the 2010 General Fund (GF) was budgeted at \$19,262,494 to include State Aid funds. He noted that \$992,000 was included in the budget for capital projects which is a transfer to the General Improvement Fund (GIF). He noted that the GF balance at the beginning of 2010 was \$5,302,832 and the GIF was \$1,645,200. He noted that the Fire Equipment Capital Fund had a balance of \$314,845; Friendship Center was balanced at \$2,293,490, to include a Capital Fund of \$320,582. He noted that the Lower Paxton Township Authority (LPTA) Operating Fund had an operating budget of \$12,771,643, with capital expenditures estimated to be \$12,304,500. He noted that LPTA has cash-on-hand of \$47,658,289, and these items will be discussed further during the August 24th meeting. He reported that the Police Pension Fund had a balance of \$14,221,069 and the Non-Uniformed Employee Pension Fund had a balance of \$8,121,330.

Mr. Wolfe noted for June 30, 2010, the General Fund had revenues of \$7,866,489 against expenditures of \$7,854,061 with a fund balance of \$12,428. He explained, compared to last year at this time, the fund balance was running a deficit of \$1,116,697. He noted that the year 2010 is much better financially than 2009, although it is not close to where it has been in the past. He noted that the Township is breaking even on a very conservative budget. He explained that revenues were 5% higher in the second quarter of 2010 as compared to the second quarter of 2009. He noted that there has been no rebound of the Community Development revenues due to the lack of development activities in the Township. He noted that the total GF expenditures were 9% lower in the second quarter of 2010 as compared to the same time in 2009. He noted that the Board reduced spending for the 2010 Budget and staff has held to it. He noted that the GF balance is roughly \$5,341,741 and since no transfers have been made from this fund, it has remained as is.

Mr. Wolfe noted for the State Aid Fund, the revenues are \$980,581 with expenditures of \$358,421 producing a balance of \$678,730. He noted that the State Aid Funding has been reduced over the past few years and is funded by gasoline tax receipts. He noted that the Township has just awarded a large contract for road maintenance and stormwater improvements, and typically this account is zeroed out on an annual basis.

Mr. Wolfe noted that the balance for the Fire Equipment Capital Fund is \$563,704, anticipating Phase Four of the Fire Capital Equipment Plan to be implemented in the future. He noted that of the \$250,000 allocated each year to this fund, \$200,000 is deposited in the Capital

Equipment Plan and \$50,000 is deposited into the Length of Service Awards Program which is in its 3rd year of operation.

Mr. Wolfe noted that the General Improvement Fund had revenues of \$300,000 with expenditures of \$426,068. He noted that the primary expenditures have been for the Village of Linglestown Project, and George Park Construction. He explained that the George Park Construction appears to be over budget as a result of a carryover invoice from 2009 that did not get booked until 2010. He noted that the GIF budget for this year is \$1,645,200 and halfway through the year only a quarter of what was budgeted was spent. He noted that he does not anticipate spending all of the budgeted funds for this year.

Mr. Wolfe noted the Friendship Center second quarter had net operating revenues of \$52,503 as compared to \$144,920 for last year at this time. He noted that there has been a decrease in revenues as a result of the local recession. He noted that the Capital Fund has a balance of \$320,163.

Mr. Hornung explained that he was reading The Lower Paxton Township Newsletter yesterday and he liked the marketing techniques for the FC.. He noted that there were some very good ideas in the Newsletter. Mr. Crissman noted if anyone knows of a church or a group that is looking for a place to meet on Sundays, the FC is available. He noted that it is lost revenue for the FC at this time.

Mr. Wolfe noted that there has been some erosion of the memberships in the past year. He explained that mid-year at this time in 2009, the membership rate was 2,500, whereas, the current membership is roughly 2,250 members. He noted that memberships have also been negatively impacted by the health insurance companies programs and how they operate those programs, and how they are changing those programs to their benefit.

Mr. Wolfe noted that the Authority Budget had revenues of \$6,675,890 and expenditures of \$5,264,991 producing a net of \$1,410,899. He noted that the Authority has significant cash on hand to undertake a large number of capital improvement projects to include: Asylum Run A, \$3,395,775; PC 4B/6C - \$7,243,700; Linglestown Road Pump Station - \$314,132; PC 3B and PC 1A - \$1,792,535.

Mr. Wolfe noted that the Police Pension Fund had an annualized return rate of 3.8% and for the Non-Uniformed Fund it was 3.6%.

Mr. Blain noted that the General Fund is pretty much on budget and maybe a little ahead of budget since staff has been able to manage expenses.

Status of revenues and expenditures against 2010 budgets
and pre-draft budgets for 2011 fiscal year

Mr. Wolfe noted for 2009, the GF was \$16,899,845 with expenditures of \$18,693,433, producing a deficit of \$1,793,589. He noted that the deficit for operations was \$858,589 and \$935,000 was transferred from the GF to fund capital projects in the GIF. He noted that a significant amount of retrenching was done last year to adjust to the economic conditions.

Mr. Wolfe noted for 2010, the GF was balanced at \$18,261,814 including a transfer to the GIF of \$992,000. He noted that State Aid balanced at \$1,000,680 when combined with the GF producing a total of \$19,262,494. He noted that the GIF was budgeted at \$1,645,200 with \$992,000 transferred from the GF. He explained that the FC Operating Fund was balanced at \$2,293,490. He noted that the LPTA Operating Fund had revenues of \$12,771,643 against expenses of \$24,341,398 producing a deficit of \$11,570,295; the LPTA Capital Fund has \$12,304,500 of expenditures. He noted as of January 1, 2010 the GF balance was \$5,302,832.

Mr. Wolfe noted that the 2010 Year-End estimates for the GF have revenues of \$18,017,614 against expenditures of \$17,844,267 for operations, producing a balance of \$173,346. He noted that the GF transfer of \$992,000 to the GIF may be less than what is shown. He noted that the \$980,621 for State Aid will be spent. He suggested that less than the \$1,645,200 from the GIF will be spent. He noted that the FC Operating Fund has revenues of \$1,963,810 against expenditures of \$2,377,802 with a deficit of \$150,000. He noted to include the transfer from the GF for capital projects that are budgeted at this time, and the year-end surplus is projected to have a fund balance of \$4,484,178. He suggested that with the current economic conditions it is good news; however for 2011 Budget there are significant hurdles to overcome.

Mr. Wolfe noted that staff has developed their budgets without trying to balance their budgets at this time. He noted that the GF revenues are projected to be \$17,288,349 against expenditures of \$17,889,006 producing a deficit for operations of \$610,657. He explained that the deficit is not insurmountable, but he is concerned that the Township is operating from the basis of a very tight budget to begin with. He noted that finding the \$600,000 will be hard to do. He noted that the GIF budget has not been prepared, and as such there is no estimate of a transfer

from the GF to the GIF. He noted that State Aid is balanced at \$982,680. He explained that the FC Operating Fund has revenues of \$2,031,850 with expenditures of \$2,169,352 producing a deficit of \$137,502.

Mr. Wolfe explained that significant costs saving measures were taken in 2010 such as: reducing the workforce from 146 full-time employees to 136 full-time employees, instituting a retirement incentive program, reducing the number of police officers from a complement of 62 to 57, and implementing the 12-hour shift rotation in the Police Department. He noted that management and non-union employee wages were frozen in 2010.

Mr. Wolfe noted that a greater portion of Liquid Fuels revenues were applied to employee wages in 2009, reallocating \$320,000 from State Aid to the GF which resulted in paving fewer miles. He noted that it is staff's fear that the Board is becoming too focused on "getting by" and not focused enough on capital needs.

Mr. Wolfe noted that the Board is investigating a potential revenue source for the future, that being a solar farm on the closed municipal landfill. He noted that continued discussion on this item will occur following the budget presentations.

Mr. Wolfe noted that pension funds issues were discussed last year and will continue this year. He noted that last year, the Board had the option of using the actuarial valuation for 2007 or 2009, and it chose to use the 2007 year valuations. He noted that this produced a Minimum Municipal Obligation (MMO) of \$836,166, however in 2011; the Township must use the 2009 actuarial valuation which will result in a much high MMO of \$1,223,298. He noted that this increase could necessitate employee contributions to the pension plan and this will be an item of discussion for executive session.

2011 General Fund Budget

Mr. Wolfe explained that there is a deficit of \$600,000 for the General Fund in what has been presented to the Board at this time. He noted that the difference between 2010 and 2011 is primarily personnel costs. He explained that there are contractual obligations to the three AFSCME units that will cost an additional \$63,000 in 2011. He noted that the Police contractual obligation will cost \$183,000 in 2011. He noted that he had budgeted management compensation at an increase of 5% which would be equal to 2.5% per year for the last two years. He noted that this line item would add an additional \$75,000 to the budget, and there is a potential for retirement payouts for police officers in 2011 of \$140,000. He explained that a reallocation in the

Public Works and Sewer Departments which is an operational issue for the sanitary sewer I&I crew will cost an additional \$75,000. He noted that adding these figures together totals \$536,000 which is very close to the \$600,000 deficit for 2011. He noted that what the Department Heads present for the 2011 Budget is relatively unchanged from the 2010 Budget.

Mr. Wolfe noted that the items of interest on the radar screen for the GIF are the pavement management program, financial management system, continuation of George Park projects, and completion of the Linglestown Square project.

Mr. Seeds questioned what the \$75,000 increase is for the I&I crew for the Public Works Department. Mr. Wolfe answered that it is a reallocation of staff, explaining for operational reasons, it has become necessary to take the I&I crew which has been split by the Sewer and Public Works Departments and house it solely in the Sewer Department. He noted that there are two Public Works employees who will be retained in the Public Works Department and if it done this way, it will result in an additional \$75,000 to retain those employees. Mr. Seeds noted that it would be a cost to the Sewer Authority. Mr. Wolfe explained that the Sewer Authority will not be paying for those employees anymore. Mr. Robbins noted that he would no longer provide a truck driver and operator to the Sewer Authority; rather it will be done with Authority staff. Mr. Seeds questioned why it would cost Mr. Robbins more money. Mr. Wolfe explained that those positions were funded by the Sewer Authority, and now it will reduce the amount of funds that are reimbursed to the Public Works Department for those employees.

Administration

Mr. Tim Houck, Finance Director, explained that the real estate tax receipts are higher this year than in 2009, and he estimated that it may be 2% higher than what was budgeted for 2010. He noted that the real estate transfer tax receipts were higher, but up to the end of June it was lower when compared to the previous years. He noted that he estimates it to be 5% lower than the 2010 estimate. He noted with the switch from the Capital Tax Collection Bureau (CTCB) to Berkheimer for the Earned Income Tax (EIT) receipts, he asked for a budget estimate from Berkheimer, and they were conservative in their estimate basing it upon what they collected in the past six months. He noted that the collection rate for the first six months was higher, but he only expects a possible 2% rise in the income rate receipts. Mr. Wolfe noted that Berkheimer does not have a history with the Township to project income. Mr. Crissman questioned how it

compared with the trend of actual transactions over the past few years. Mr. Houck answered that it is in line with that. Mr. Hawk noted with the Act 32 process the tax collector could stay the same or change.

Mr. Houck noted that Mr. Doyle from CTCB informed him that they would be starting the 2007 delinquent taxes. He noted that the tax collectors have to wait until they receive funds from the other tax collectors. He noted that Mr. Doyle stated that they recently received \$400,000 from the Lancaster Tax Bureau for taxes from 2006 and back.

Mr. Hawk noted that the selection of the tax collector must be in place by September of this year, however, they the new tax collector is not obligated to take over operations until 2012. Mr. Houck noted that the two front runners are Berkheimer and CTCB and both organizations are known to the Township.

Mr. Seeds questioned what the \$11,000 cushion is for that is listed in building rentals. Mr. Houck answered that he did not know and that he would look into this.

Mr. Houck noted that most of all the other line items have remained the same, noting that there may be an increase in the FC Overhead and Authority Management Agreements if staff salaries are increased. He noted that roughly \$20,000 less is projected for State Aid income for 2011. He noted that the total administrative revenues are roughly \$400,000 more than what the 2010 estimate is without using any prior year's cash. He noted that the Township has roughly \$2.5 million in cash as the rest of the funds are tied up in mortgages or loans.

Mr. Houck noted for expenditures, there were no raises for management but he projected a 5% raise for this year. He noted that the AFSCME raises are contracted at 3.25%. He noted that the Township has used Brown Schultz as its auditor for the past 17 years, and although they have done a good job, staff has expressed a desire to get a fresh set of eyes on the audit process. He noted that Brown Schultz has provided the Township a very good price in the past, and the new fees could be much higher. He noted that the new auditor proposals are due August 31st, and he suggested that the new fee may increase to \$35,000.

Mr. Houck noted that there are very few changes to be found in the rest of the document, and he noted that the prices in the narrative for the IT Department are incorrect. He explained that they should read \$20,000 for software maintenance and other IT items at \$20,600. He noted that there would be no change to the Tax Collector's payment.

Mr. Houck noted that the Sewer Authority has a 3.25% contract increase for office workers and skilled laborers covered by AFSCME. He noted that the Library Tax is received from Diane Bair and passed through to the Dauphin County Library. He noted that the FC payment for Parks and Recreation use continues to be \$100,000. He noted that medical insurance is projected to increase by 7%, and that the MMO is projected at \$944,698 but it could be as high as \$1.2 million. He noted that the Township received a great price for insurance this past year, but he has been told that the price for next year would not be as good.

***Building
Office of Emergency Preparedness***

Mr. Wolfe noted that the building and OEP budgets are very small and have relatively little change.

Police Department

Public Safety Director (PSD) Johnson noted that the total anticipated revenues for 2011 are \$441,350. He noted that the one area that is uncertain is the miscellaneous revenue for applicant fingerprinting. He explained that he is in negotiations with Dauphin County District Attorneys' Office, Pennsylvania Commission on Crime and Delinquency (PCCD), Criminal Justice Advisory Board (CJAB), and the President Judge to implement an applicant processing fee. He noted that police personnel spend a significant amount of time processing individuals for criminal charges, and roughly 1,200 people were processed last year. He noted throughout the State other municipalities are implementing processing fees that are managed through the Probation Office. He noted that as of last week he had negotiated a processing fee of \$200 that would be managed through the Dauphin County Probation Office. He noted that they would deduct a 5% administrative fee before forwarding the funds to the Township. He noted for an agency to qualify for this they must have a Live Scan System.

PSD Johnson explained that Dauphin County is moving towards a Central Booking Center that will be built in the future that would allow officers to drop their prisoners off to be processed and booked. He noted that Lower Paxton Township is one of four agencies in the County that has the Live Scan System, and it would be a satellite office for the Central Booking

Center. He suggested an estimate of potential income could be over \$100,000 in revenues on a yearly basis.

Mr. Crissman questioned if it is better for the Police Department to process its own suspects or send them to the Central Booking Center. PSD Johnson answered that it is a Catch-22 situation, noting that as a satellite booking center, the Township would be able to collect the processing fees; however, it costs roughly \$90,000 to replace the Life Scan System that was recently replaced two years ago by grant funds. He noted using a Central Booking Center would provide a benefit in more patrol hours on the road and less time spent in the office processing suspects, however, if no processing is occurring, then there would be no generation of revenues either.

PSD Johnson noted that it would depend on where the Central Booking Center is located. He explained that it was suggested to locate it near the Dauphin County Prison which is not a long distance for the officers to drive, however, if it results in a much longer drive, then it might be beneficial for the Township to process its own suspects. He noted that the President Judge, Criminal Justice Advisory Board, Dauphin County Chiefs of Police Association (DCCPA), and the Pennsylvania Chiefs of Police Association have approved the \$200 processing fee and he is now awaiting the final approval from PCCD. He noted that he should have an answer to this question in the next month or so, and according to Chief Martin, President of the DCCPA, he stated that the Township should be able to begin charging by the beginning of September.

PSD Johnson noted that the 2009 Budget was approved by the Board at \$5.6 million, and after he took over last April, he made numerous cuts, including five officers, resulting in a decrease in the actual budget to \$5 million. He noted the projected budget for 2010 is \$5.1 million and the projected 2011 Budget is \$5.5 million. He noted that he held the line in all items except for personnel salaries. He noted that labor agreements of 3% raises as well as step increases, longevity pay, and the retirement payouts make up the difference. He noted if there are no retirement payouts in 2011, it would amount to a significant savings. He noted that the personnel salaries and payouts amount to roughly \$400,000 in additional expenditures.

Public Works

Mr. Robbins noted that the GF revenues are \$24,500 for the winter maintenance contract with PENNDOT and an additional \$1,000 for miscellaneous income for the sale of scrap metal.

He noted that the miscellaneous income was greatly reduced since there will no longer be a reimbursement for the I&I crew.

Mr. Robbins noted that it is a very tight budget and the bulk of the increase of \$220,000 is for personnel costs. He noted that there is also a \$100,000 difference for the two employees who will be working for Public Works and not the Sewer Department. He noted as a result of this change, his Department will be at a full complement of 27 employees. He noted that those two additional employees would allow him to do additional work that could not be done before. Mr. Wolfe explained that two employees from Public Works and two employees from the Sewer Department were assigned to the I&I crew. He noted that the Public Works Department provided an operator and a truck driver, and the Sewer Department provided the necessary sewer expertise. He noted that there have been coordination issues between the two Departments and as a result all members of the I&I crew will be Sewer Department employees. He noted that this will be addressed further in Mr. Weaver's budget discussions. He noted that this leaves Mr. Robbins with two employees who were only partially funded by Public Works Funds. He noted if Mr. Robbins maintains the two employees they will be totally funded by the Public Works Department in 2011 and that would add \$75,000 to his budget. Mr. Seeds noted that he would gain two more employees. Mr. Blain noted that the net gain is only one employee.

Mr. Robbins noted that the overtime number is slightly increased from last year as the Township may have to become involved in the PA One-Call Process which is going to require an employee to work this. He noted that there is no longer a Public Works employee working as an attendant at the Compost Facility, so there will be a reduction in overtime as a result of this change. Mr. Wolfe explained that he has hired part-time personnel to work the Compost Facility and this would result in a savings in the Public Works overtime line item. Mr. Seeds noted that the CSO's were also working the Compost Facility, but questioned if a Public Works employee will continue to work the grinding machine. Mr. Robbins answered yes, noting that operation would not change. Mr. Seeds questioned if the pay for the attendants would come from the Public Works budget. Mr. Wolfe explained that it would come from the Health Department budget. Mr. Seeds questioned if the fees for the permits are deposited into the Health Department budget. Mr. Wolfe answered yes.

Mr. Robbins noted that he decreased the vehicle fuel line item \$5,000 from last year. He noted that he may be able to come up with a better projection for this by the end of the year.

Mr. Robbins noted that in 2011 he budgeted to purchase a single-axle dump truck, a new asphalt roller for patching, a tow behind air compressor and jackhammer, and an anti-icer. He noted that the anti-icer would allow his personnel to make their own liquid brine and apply it prior to the start of a storm that would further reduce the amount of salt needed to be used. He noted that the equipment costs \$20,000, and he could easily save that amount of money in unneeded salt. He explained that he has two trucks that could use this equipment, and if it is found that it saves money, he would request to purchase a second anti-icer in 2012. Mr. Hornung noted if it is found that the anti-icer has a large return on its investment, and if there is some money left over in the budget this year, then a second unit should be purchased this year. Mr. Wolfe noted if the budget is approved, the equipment would be purchased prior to the start of the winter season although it would be invoiced in 2011.

Mr. Robbins noted that he increased the line item for decals, plates and posts, and this is mainly due to the increase in cost of the metal. Mr. Hornung noted that there are millions of signs around the Township and he noted that there are legal issues regarding signs that could open the Township to liability issues, but he questioned if there is any way to reduce the amount of signage. He noted that some of the signs are redundant and he questioned if they are all required by law. Mr. Robbins noted that many of the signs that are being replaced have been in place for a long time and they cannot just be removed. He noted that street signs are necessary. He explained in some instances, developers pay for their own signs, but the Township hangs the signs for consistency purposes. He noted that it may seem crazy to put up all the signs noting that there is probably \$700,000 worth of sign inventory, but the Federal government has mandated that retro-reflectivity signs be installed. He noted that the signs must be changed out to meet these new regulations. He noted that Mr. Fink is doing that in line with the mini-basin projects using their maps. He noted that two people are assigned to the sign shop full time. He noted that the Township is able to recoup most of the costs for signs that have been damaged or destroyed as a result of a traffic accident. He explained that it cost roughly \$150 to make and install a sign.

Mr. Hornung questioned if the chevrons that were installed on Blue Mountain Parkway are necessary. He questioned if the Township installed those signs. Mr. Robbins answered that staff did install those signs. Mr. Hornung questioned what would happen if the signs were not installed. Mr. Wolfe noted that although Mr. Hornung may have been able to make the turn in the road, someone else may not have and if there was an accident the Township would be liable.

Mr. Hornung questioned what generated the installation of those signs. Mr. Robbins suggested that it could have either been a traffic study or that they were so old that they needed to be replaced. Mr. Hornung questioned, if the Township chose not to replace those signs would it open the Township for liability. Mr. Wolfe answered yes. He noted that Mr. Stine will tell you if you recognize a hazard and fail to do anything about it, according to the State's standards, you are liable for it. Mr. Stine suggested that the signs were probably installed because someone had an accident maybe ten or fifteen years ago. Mr. Robbins noted if there is a request for a sign, the Traffic Safety Unit does a traffic study, and if it is approved, the Public Works Department installs the sign. Mr. Hornung questioned if the cost of the sign would pay for the litigation that occurs once every 15 years. Mr. Stine answered probably not, depending on the injury that occurs. Mr. Wolfe questioned where you stop with installing signs, noting that there are also street lights and traffic signals. He noted that the Township is very conservative in installing street lights, noting that both Swatara and Susquehanna Townships have more street lights than the Township. He noted where they have been deemed necessary they have been installed. He noted that pavement markings have also been installed. He noted in some instances, the Vehicle Code is unenforceable if the proper markings are not installed. Mr. Robbins noted that he has heard that the Federal Highway Administration as part of the process to have a sign inventory program is to have a thermo plastic marking program. He noted that all the thermo markings that have been installed would have to be inventoried. He noted that it is a cost that keeps increasing.

Mr. Seeds questioned who is responsible for the signs on Route 22. Mr. Robbins answered that PENNDOT controls the signs for Route 22, but for the other State routes, the warning or speed limit signs that are 35 mph or less must be approved by PENNDOT and installed by the Township.

Mr. Robbins noted that the State Aid Equipment line item is \$250,000, therefore \$50,000 would be needed from the GF as you are only permitted to use 20% of State Aid funds for this. He noted that \$140,000 is budgeted for salt and \$42,000 for line painting. He noted that \$576,880 is listed for blacktop and it consists of crack sealing, paving work, and base repair completed by staff. He noted that the State Aid revenue for 2011 is estimated at \$999,000 plus \$1,000 in interest.

Mr. Seeds noted that a "No U-Turn" sign was recently installed at Route 22 and Prince Street. Mr. Wolfe explained that that sign was installed for over eight years. He noted that a

traffic study was conducted for that sign as drivers will make a left turn to go into the gas station and it was determined that it does not count as a u-turn since the median does not extend beyond the driveway entrance.

Community Development

Mr. Seeds questioned Mr. Wolfe if he was going to cover the Community Development Budget. Mr. Wolfe answered no. Mr. Seeds noted that there is an error under the Zoning Solicitor, noting that it states a payment of \$2,001 per docket. Mr. Wolfe noted that it is \$200 per docket.

Parks and Recreation

Mr. Luetchford noted that his expenses are projected to be \$721,820, with revenues of \$449,650. He explained that most of the budget for the Parks and Recreation Department are covered by the revenues it generates. He noted that the Fee-In-Lieu estimate is \$100,000 with an additional \$1,000 in interest. He noted in 2007, he received payments for Fee-In-Lieu of \$500,000; 2008, \$150,000; and 2009 it was only \$4,600. He noted in 2010 he received \$100,000 and he estimates \$100,000 for next year as well. He noted that most of the recreation revenues remained the same; however, he explained that the pre-school programs fees indicate a rate increase of 3%. He noted that every year he increases the program budgets for the fall/winter programs. He noted that the newsletter advertising was decreased by going from six issues to four issues, and since it has been combined with The Lower Paxton Township Newsletter, he only pays a portion of the total cost.

Mr. Luetchford explained that for expenses, almost all increases are due to personnel issues. He noted that he eliminated the special events coordinator, and lowered the budget by roughly \$4,000. He noted that this responsibility has been shifted to a program manager. He noted that he did not show any expenses for the Koons Pool closing costs as he heard good news regarding the pool's operations. He explained that the Parks and Recreation Operating Board is expected to receive an end of the summer report in October. He noted for Park Improvements, many of the items are left undone due to the expense of the projects. He noted that most of the projects will be moved to next year's budget; however, turf grass maintenance fertilization was done once in the spring with no weed control. He noted that he also did some very limited over seeding.

Mr. Luetchford noted that the park purchase agreement for Wolfersberger Park will be paid off as of January 2011; the Township will own the parkland. He noted that negotiations must continue for the rental of the Paint Ball business. Mr. Hornung questioned what they have been paying to rent the land. Mr. Luetchford answered that according to what he was told, it was only \$200 per month. He explained that he has moved the Park Escrow Expense work to 2011, with the exception of working with the baseball organizations to do some maintenance to the fields.

Mr. Luetchford noted that almost everything remained the same for the Recreation Programming Expenses.

Friendship Center

Mr. Luetchford noted that the entire budget for the Friendship Center is included in his report to include depreciation for non-cash items. He noted that the Township's contribution has remained the same as it has been for the past ten years at \$100,000. He noted that the rental of the facility is lower than in the past as there is no church currently using the building on Sunday mornings. He explained that he is advertising to attract a Sunday morning rental. He noted that there is a new line item for the West annex rental, as PinnacleHealth paid off their payments for the building and will be paying rent for their space in the building. He noted that most of the line items have remained the same and the fitness programs show a 3% increase for the fall/winter programs. He noted that they have more and more people on waiting lists especially for the aquatics programs. He explained that they are scheduling programs on Saturday mornings and afternoons, and Sunday afternoons. He noted that the Friendship Center makes money on the programs.

Mr. Luetchford noted for annual memberships, the number is significantly lower than past years. He explained that he is seeing a slow erosion due to the current economic conditions. He noted that his projected budget number represents a 4% growth in annual memberships from 2010 with no rate increase planned for 2011 at this time. He suggested that the Operating Board should further discuss this item for consideration, possibly considering no rate increase, or maybe even a rate decrease as a marketing tool to encourage new memberships and the retention of the current membership. He noted that there has been a slight increase in the intermediate memberships. He noted that he projects a total budget revenue of \$2,031,850.

Mr. Luetchford noted that the expenses include raises for instructors and staff with no other significant changes from last year. He noted that the Facility Marketing /Member Retention line item is roughly the same but more discussion will be held on this in the future. He noted that he wants to ensure that the new marketing plan is quantifiable. He noted that it is great to advertise on the local radio, however, he does not know what the return is on that investment. He noted that he wants to use those programs that are effective for marketing.

Mr. Luetchford explained that he is minimizing the costs for office equipment. He noted that the FC server is out of warranty and if it fails there is no means to pay for it. He is hoping to get a new sever this year. He noted that payroll has gone up a little in response to the demand for more programs. He noted the facility expenses list the replacement equipment and it is \$45,000 which is a little higher than last year, but he does not really know what the end of the year will look like a this point. He noted that the FC employs an excellent part-time maintenance person who is able to work on many items, lowering the overall costs. He noted that there is a 50% increase in the costs for electricity and gas for 2010 and it is hoped to be lowered over time by receiving a grant from the Department of Conservation and Natural Resources to replace more lights. He noted that the insulation project will be completed during the maintenance week shut down in August, and all these improvements will help to reduce the electric and gas bills. He noted that the cost for water service has been reduced by installing the shower restrictors.

Mr. Luetchford noted that the budgetary reserve is zero at this time. He noted that the budget is very tight and at this point he has more expenses than revenues. He noted that the total expenses for the FC are \$2,169,352, roughly \$145,000 higher than revenues.

Police Federal Forfeiture Funds

PSD Johnson noted in late 2008, a police officer made a traffic stop that resulted in seizing a vehicle and approximately \$150,000 in cash. He noted, at that time, it was thought that the forfeiture funds could be used to offset budget items, and that the funds would be received in 2009. He noted that he researched the legalities of using those forfeiture funds and found that the money cannot go into the General Fund, cannot be co-mingled with General Fund monies, and can only be used to purchase items that were not budgeted for and are not normally budgeted for. He noted that he cannot supplant with those funds. He noted if he spends \$120,000 a year on vehicles, he cannot take those funds and pay for that line item. He explained that he must sign off

each year as to how those funds are used and if the guidelines have been followed. He noted that he immediately made Mr. Wolfe aware of the regulations for the use of the forfeiture funds and Mr. Wolfe immediately directed him to transfer the funds into a separate account. He noted that the funds have been in that account and none of the money has been spent. He noted that Mr. Wolfe requested that it be determined how those funds could be utilized in the 2011 Budget.

PSD Johnson noted that he recently completed an analysis for the entire Township vehicle fleet. He explained that the Police Department has 26 vehicles, and each year he purchases three cars and one SUV. He noted that over half of the fleet has more than 100,000 miles on it and it is costing a significant amount of funds in repairs to keep the vehicles on the road. He noted that he could use the forfeiture funds to purchase under-cover non-traditional police cars for the Criminal Investigation Unit or for vice-detectives. He explained that he has never budgeted new cars for the CI Unit. He noted that the detectives that are assigned to special details within Dauphin County are provided vehicles from Dauphin County.

PSD Johnson noted that the detectives do not patrol and do not need to use the Crown Victoria V-8 engines that only get eight to nine miles a gallon. He noted, historically, the patrol vehicles are handed down to the Criminal Investigative Unit once the Patrol Division is done with them. He noted that the cars are well-used when they are transferred to the CI Unit, and in many cases the detectives are left to drive vehicles that do not have functioning air conditioning and it is very hard as they drive those vehicles wearing suits. He noted that the cost to fix the air-conditioning is more than what the car is worth.

PSD Johnson explained that there has been an increase in violent crimes that seem to occur on Sunday's, late at night, resulting in calling out the detectives, and they must use these vehicles that are easily identified as police vehicles. He noted that he has been able to borrow non-traditional vehicles from other agencies when needed. He explained that he would like to purchase two non-traditional cars through the State Contract for the detectives. He noted that many Police Departments are using the Ford Fusion which has a smaller engine that gets 18 to 20 miles per gallon, and is a four-door vehicle. He noted that the cars can be bought using the State Contract at \$14,000 per vehicle. He suggested that these cars could remain in the fleet for five to seven years.

Mr. Wolfe noted that PSD Johnson is requesting the Board's approval to authorize the purchase of two Ford Fusions using the Federal Forfeiture Funds. Mr. Seeds questioned if there

was \$120,000 in the forfeiture fund. PSD Johnson answered yes, and he noted that there is also funds left over that Dauphin County gave to the Department. Mr. Seeds questioned if PSD Johnson was working on a list of other items that could be purchased using those funds. PSD Johnson answered that he is. He explained that each year, he and Mr. Wolfe must file a report as to how those funds were spent. Mr. Seeds questioned if the funds could be used to run a special program for area youth to help fight the drug problems. Mr. Wolfe noted that the Police Department has not looked at developing new programs, nor has any other Department in the Township done so trying to maintain the existing programs with the available funds. He noted that there are Township infrastructure issues, and at this time he is looking at the basics to find a means to fund these deficiencies. PSD Johnson noted that the Police Department may receive additional funds from Dauphin County at the end of the year and he will continue to look at ways to spend the funds. He noted that his immediate need at this time is more vehicles. Mr. Crissman noted that he supports the purchase of the three vehicles.

Mr. Seeds questioned how many cars are budgeted to be purchased in 2011. PSD Johnson answered that there are three vehicles and one SUV that will be assigned to the Patrol Division and then he would rotate the older cars out to other Township Departments or to be sold. Mr. Wolfe explained that he will bring to the Board, a comprehensive multi-year purchase proposal as part of future budget discussions. He explained that leasing may be an option for the use of more vehicles, and this process would be implemented over time. He noted that the used vehicles are rotated to the Administration Departments and they drive vehicles that only get eight to ten miles per gallon.

Mr. Wolfe explained that more budget discussions will be held later in the fall, noting that tonight's discussion was just the starting point for the 2011 Budget. Mr. Crissman noted that it was a good start and he appreciates the fact that staff is working on it as this point in time, rather than waiting until September and October.

Mr. Blain questioned if staff has updated that the Five-Year Strategic Plan for spending. Mr. Wolfe answered no, explaining that there is a need for the Board to conduct a brainstorming session since the capital projects the Board desired to do were completed from the last plan. He noted, at this point in time, there is no source of funds to complete new projects, and more discussions need to be held on this topic. Mr. Blain noted that he is not personally prepared to make any decisions on the 2011 Budget without discussing spending for the next five years.

Mr. Hawk noted that this is a good start and the Board would have a better understanding of where the Township is financially by the end of the third quarter. Mr. Blain suggested that the Board should have a strategic planning session within the next month for General Fund and Operations spending, and also to determine what the escalation in costs would be based upon union contracts and maintenance costs.

Continued discussion regarding the proposed solar farm
at the closed municipal landfill

Mr. Wolfe noted that Corey and Tim Wolff are in attendance to discuss the ParenteBeard evaluation that was presented to the Board as a recent workshop session in regards to developing a solar farm at the closed municipal landfill. He noted, as a result of that presentation, Energy Systems and Installation (ESI) was asked to respond to ParenteBeard's comments. He noted that they have prepared a Power Point Presentation for the Board.

Mr. C. Wolff explained that he and Tim have prepared a response to clarify some of the issues that ParenteBeard raised. He noted that overall he was fine with their review; however, he had some questions on the accuracy of their presumptions.

Mr. C. Wolff noted that he was happy to see that ParenteBeard agreed with many aspects of ESI's proposal, noting that they raised several good points, however they made some conclusions based upon incorrect project information.

Mr. C. Wolff noted that the landfill has two meters providing electric service to the facility. He noted that PPL would charge the Township roughly \$500,000 to upgrade the service, and this fee was included in the previous cash flow estimates. He explained that the landfill is capped, however, this issue was addressed by adding another two to four feet of dirt in order to use a custom-designed ground screw system. Mr. Wolfe explained, that technically, the landfill is not a capped landfill, noting that it has two feet of cover on it, and the plan is to add an additional two feet of cover. He noted that staff has met with the Department of Environmental Protection (DEP) in regards to this and they do not find that to be problematic. He noted that ParenteBeard suggested that the east/west ridges of the proposed area may require additional layout considerations, and he agreed with this assumption, noting that there were some questions regarding a shading analysis. He noted that they suggested setting the array back from the southern tip of the tree line. He noted that this was already taken into consideration. He noted

that landfill settlement could result in additional maintenance costs, but he thinks this issue could be addressed by using ground screws, but he honestly did not know how much maintenance would exist in terms of readjusting the ground screws over time. He suggested that it may be needed every five to six years. He noted that the ground is unstable as this can be seen by viewing the basketball courts. He noted that it is an area of concern and how much maintenance will be required is unknown.

Mr. C. Wolff noted that there was some discrepancy on the total amount of usable acreage at the landfill.

Mr. C. Wolff noted that ParenteBeard stated that the Township would have a difficult time selling the power; however he suggested that there are several different options for the Township. He noted that ParenteBeard recommended a wholesale market through PJM which allows the Township to get \$.04 to \$.05 per kilowatt hour. He suggested that the Township could secure a lease with the Swatara Township Water Treatment Facility (STWTF), noting that they would lease and maintain the system in order to net meter. Mr. Hawk suggested that was ParenteBeard's recommendation. Mr. Wolfe noted that ParenteBeard observed that it may be a more feasible option. Mr. C. Wolff noted that ParenteBeard thought that it could be problematic and he did not feel that way. He noted that Randy Hurst, from Mette, Evans and Woodside, did a review of this and he thought it was a very viable option, allowing the Township to maximize its dollars. He noted that it would be a little more complicated but it is a viable option.

Mr. C. Wolff noted that the STWTF has a Power Purchase Agreement with Direct Energy until January of 2012. He suggested that the Township would have to sell its power on the open market for three to six months until the project was completed. He noted that it would cost roughly \$10,000 a month to do this, making a \$.03 to \$.04 difference. He noted that this system would increase the power available during the day at peak and super peak times, earning a premium for the power. He noted that there would be a slight penalty due to the power agreement that is already in place. He explained that he did not explore any type of direct negotiations with Direct Energy to try to amend their agreement with STWTF, however, another client was able to amend their agreement with another energy provider and they were willing to do virtual net metering. He explained that the electric generation suppliers are not required to do this.

Mr. C. Wolff noted that ParenteBeard brought up a good point in that the Township should have a plan for a debt service reserve. He recommends to his commercial clients to go interest only for a period of time in order to build up a positive cash flow. He noted if the Township does a bond issuance, he would recommend that you borrow the amount to pay for the system in addition the cost of operations for six to nine months. He noted that ParenteBeard had the all-in-costs as \$16,780,058, however, that is not accurate. He explained that there are three components for this project: the installation cost for they system, interconnection, and civil work to include the two to three feet of fill that must be installed to ensure that the screws will work. He suggested that the Township would receive viable bids from \$14,000,000 to \$15,000,000. He noted that you would have additional costs of roughly \$900,000, with \$400,000 for additional ground covering and \$500,000 for the interconnection. He suggested that the total costs would be \$15.5 million for a bond issue of \$12.5 million, depending on the awarding of the PED A grant.

Mr. Wolff noted that ParenteBeard has comments regarding the Alternative Energy Credits (AEC) market ranges and he suggested that assuming a \$300 AEC market is a little aggressive. He noted that a current-five year contract is between \$280 to \$300. He noted that this project would have 3,800 AEC per year, and that getting a contract in place would be imperative. He stated that the Township would not want to shop the REC's on a spot market. He noted that the Township would not get a ten-year contract, however, Maryland does provide for a ten-year contract through the State. He noted that the Township could enter into up to a nine-year contract and not violate the Commonwealth Financing Authority (CFA) grant. He noted that New Jersey has AEC's as high as \$600 and the Township would not want to be locked into a rate of \$280 for ten years. He suggested a three to five-year contract would be a nice compromise.

Mr. Wolfe noted that ParenteBeard mentioned that there are third-party options. He noted that he works with many people who would be interested in leasing the land for the project from the Township. He noted that he has done two different scenarios, the Power Purchase Agreement (PPA), where Swatara would get a deal on its power, allowing them to lease the land for net metering, and the Township would be paid a certain amount of money for the acreage that is used. He explained that it may be difficult to amend the CFA grant. He explained that he is currently trying to change a grant and the CFA is giving them hard time. He noted to convert the Township grant from a municipality to a private LLC, would need further discussion. He noted that the CFA may agree to the change or resubmit the request to their Board.

Mr. T. Wolff explained that he applied for a \$1 million grant from the Pennsylvania Economic Development Authority (PEDA) for the project that is very similar in terms of the application. He noted that the Executive Director indicated the award decisions could be made after August 27th.

Mr. C. Wolff noted that the third party ownership structure is a very good option. He noted if the third party would be able to secure the CFA grant, they could leverage that grant to secure Federal money and it would reduce the install costs dramatically. He explained that you need to have State funds to make the project viable. He noted that if the Township chose to use the third-party option, there is limited time to secure the U.S. Treasury Grant, noting that 5% of the project must be installed by the end of the year or you can't get the money. He noted that the project would turn into a tax credit and that is not what the developers want.

Mr. Crissman questioned if Mr. C. Wolff was in the position to provide names of third parties that are reputable, having gone through the process, and who have applied for the grants and are very knowledgeable. Mr. C. Wolff answered that staff from his office are working on a RFP at this time for Maryland where they have two different investor groups, one from Wall Street and the other from California, who are interested in these projects. He noted that the investor groups own a project at the New York Jets training facility in New Jersey and the Denver Airport. He noted that they purchased these systems and he works with them to develop the project. He noted that they help to find a buyer for quality projects. He noted that a \$15 million project would require a seasoned investor who understands the risk to scoop up the project. He noted that you would want someone who has a PPA and a land lease contract. He explained that this would save a lot of time as the Township would not want to reinvent the wheel. He suggested that the Township may want to put a RFP out for the value of the land per year, noting that you may get \$5,000 to \$6,000 per acre for 14 or 15 acres. He noted that it would amount to \$75,000 for the project. He noted that Swatara Township would be saving \$50,000 a year, and the Township would be getting credit for it since it is on the Township's land.

Mr. Hawk questioned what would happen to the \$3 million grant that was awarded to the Township. Mr. C. Wolff answered that it would be assigned to the investor group. Mr. Hawk noted that his basic fear is that he does not want to create another "Harrisburg Incinerator".

Mr. C. Wolff noted that the pros for a third-party ownership would be that it would be risk-free for the Township and it could create a revenue stream from otherwise unusable land, as well as offering Swatara Township a discounted electric rate. He noted that the Township's \$3 million grant makes the entire project appealing, as it can be leverage with Federal money, and it lowers the upfront costs for negotiations with investors. He noted that the cons are that it would be a long-term agreement, a 20 or 25 year lease agreement for the land, and given the cash flow estimates, the Township will be sacrificing a net cash flow of \$400,000. He noted that the next step is for the Board to determine which way they would like to proceed after they receive notification of the possible \$1million grant award from PEDDA. He noted that a RFP would have to be prepared, and a discussion would have to be held with the CFA staff on the possibility of having the Township grant amended to an alternative party. He noted once these items are in place, then the Township may want to discuss its opportunities with potential owners. Mr. Crissman questioned if the Township is the only municipality in the State to do this. Mr. C. Wolff noted that the third-party ownership structure is responsible for 90% of the solar that is deployed in the Country. Mr. Crissman questioned if Mr. C. Wolff has done a third-party project in Pennsylvania. Mr. C. Wolff noted that he has only negotiated straight sales in Pennsylvania; however, it has been done by others. He noted that ParenteBeard made reference to a large development portfolio and they are all done that way, with PPA's. He noted that many are rooftop projects. He explained that the system is installed on the rooftop and the power is sold to the building occupants. He noted that it is a very similar structure except the Township's project is 20 times larger.

Mr. Wolfe questioned if Mr. C. Wolff could provide the Township with an updated cash flow performance based upon bond issues. Mr. C. Wolff answered that he provided it to the Township for 4.5%, however he would prepare a new report. He explained that he would increase the REC price and lower the power rate. He explained that it is hard to determine what the performance cash flow will look like unless he gets the green light for the lease type arrangement with Swatara Township. Mr. Wolfe noted that he is talking about the bond issue. Mr. C. Wolff noted that it would affect the utility rate and make a huge difference for the life of the system, possibly \$2 million at \$.03. He noted that it is \$114,000 each year for 25 years. He noted that he could also provide a third-party performance.

Mr. Wolfe noted at this point in time other than waiting for the updated cash flow performance reports, the Township is in a waiting mode until the end of the month to see if the Township qualifies for CFA additional funding. Mr. Hawk questioned if a decision will be made on August 27th. Mr. T. Wolff noted that Tom Bell, the Executive Director, told him that they were looking to formally made decisions on the 27th but it could be later. Mr. T. Wolff noted that it could provide for an extra \$1 million in funding for the project. Mr. Crissman requested Mr. C. Wolff to relay the CFA decision to Mr. Wolfe as soon as he hears.

Mr. Hawk noted that the lease arrangement would be a relatively new approach for ESI. Mr. C. Wolff noted that it would be, but it is not really that complicated, and he explained that they sought investor groups since there was so much interest in the project. He noted that he has two parties that are interested in investing in this project, however, they each come at the project from different approaches, one as cost affective, purchasing all the equipment and the other is a company that likes to deal with municipalities since they pay their bills. He questioned if an investor invests in a rooftop model and the business goes bankrupt, who will buy the power. He noted that schools are another ideal group to deal with. He noted that the only contingency for these groups to participate is if there are grants available and it can be reassigned to them. He noted that more funding the better.

Mr. Hornung questioned if RECs are determined by the State. Mr. C. Wolff answered that the renewable energy credits are mandated by the State. He noted that the State insists that the energy companies must buy so much of its power from renewable sources every year. He noted that there will be a huge upswing in their renewable portfolios standard, noting that they are required to purchase half a percent of solar by 2021. He noted that 3% must be from renewable sources, and .5% from solar. Mr. T. Wolff noted that it is all regulated at the State level, noting that there has been no Federal mandate yet. Mr. Hornung questioned what is the impedance for a State to do this is. Mr. C. Wolff noted that it creates green jobs. He noted that there is a need for State grants at this time to make it competitive because the cost of the equipment is so high. He noted that you need to be able to stack the grants to come up with the cash flow. He noted that Pennsylvania is lagging behind, noting that there has been discussion about increasing these dramatically. He noted that New Jersey's current REC rate is 670. He explained that there is a big coal and natural gas lobby in the State.

Mr. Hawk explained that the Board will wait to hear the new regarding the CFA loan.

Presentation by Triple Crown Corporation regarding the potential to rezone the
Stray Winds Farm development to the R-2 zoning district

Mr. Mark DiSanto of Triple Crown Corporation (TCC) introduced Mark Coakley, who is his land acquisition manager. He explained that he wanted to speak about the Stray Winds Farm Development. He noted that he would like to move forward with this plan, and as the Board is aware, he is in the middle of litigation with a few of the residents regarding the approval for the plan. He noted that the court decision is on appeal at this time; however, he would like to move the plan forward. He explained that the land is zoned R-1, and he requested to rezone the land to Residential Cluster (RC), in order to do the multiple housing types. He noted that he applied for a variance for the density increase and then he entered into a development contract for certain road improvements to the surrounding area. He noted that the variance is still in litigation, and without the variance, the current plan does not meet the RC regulations. He noted if he took the land that was located in Lower Paxton Township and rezoned it to R-2, the plan would conform to that zoning requirements. He questioned if there was a way to consider rezoning the property to R-2, maintaining the roadway improvement agreement, and agreeing to the limitation to the number of units. He noted that he wants to build the plan as it was presented almost three years ago, and as it was approved two years ago. He explained that Phase One has been fully approved and recorded. He noted that it is bonded and ready to be built and that is what he wants to do.

Mr. DiSanto noted that he met with Mr. Wolfe, Ms. Moran, Mr. Stine, and Mr. Eric Epstein from the Stray Winds Area Neighbors (SWAN). He explained that SWAN has scheduled a meeting with him to discuss the plan at the Epiphany Lutheran Church on Wednesday, August 25th at 7 p.m., and he invited the Board members to attend the meeting. He noted that he wants to build the plan as it was approved and negotiated with the Board and to do the improvements that were agreed upon. He suggested that this would be the simplest way to move the plan off dead center. He noted that it is the same plan, same level of commitment for public improvements, including the park and lighted walking paths with access for other communities to use. He noted that it was a very highly negotiated public/private partnership, and he is willing to contractually obligate himself to the plan if there is a way to do it.

Mr. Hawk questioned what would happen if the land is not rezoned to R-2. Mr. DiSanto noted that he could pull everything off the table that has been negotiated and go back to a very traditional development and a lot of people will lose out. He noted that it will not be as nice a

community as the plan currently calls for, and the Township and residents would not get the public improvements and public facilities. Mr. Hawk noted that the reason he asked the question was because a rezoning would set a precedent. He noted that it would open up a door that could be less than advantageous for the Township. Mr. DiSanto suggested that it would not set a precedent as it is a very unique property in the Township from the standpoint of size, location, and infrastructure. He noted that it would be a way to implement a plan that received a high 90% approval rating with everyone connected to the plan. Mr. Hawk noted that he does not disagree with that, but he questioned what effect it could have for the Township in the future if the land was rezoned to R-2, since it is such a drastic change. Mr. DiSanto noted that any zoning change is a legislative action at the discretion of the Board. He noted if you look at the agreements and plans, there are a lot of good reasons to do this. He noted that it is not just a request to change 235 acres from R-1 to R-2. He noted that there is a fully recorded plan in place waiting to start.

Mr. Blain commended Mr. DiSanto with the way he worked with the Township and SWAN for the development of this plan, and for all the improvements, to include the park and walking paths, but he questioned Mr. Stine if this would be considered spot zoning. Mr. Stine suggested that R-2 zoning borders this property so it would not be considered spot zoning. Mr. DiSanto suggested that Club Estates and Laurel Ridge are zoned R-2. He noted that there is multi-family development abutting this property. He noted that the R-2 zone includes the ability to build single-family and multi-family units. Mr. Seeds questioned what the TCC land in Susquehanna Township is zoned. Mr. DiSanto noted that he had that land rezoned in Susquehanna Township, going from an R-1 to a R-2 or from R-2 to a R-3. He noted that he was not sure what their zoning is called, but it was for the same purpose and he entered into a development agreement with Susquehanna Township to limit the density development to a certain number of units. Mr. Seeds questioned if there are any legal issues with the land in Susquehanna Township. Mr. DiSanto answered no.

Mr. Seeds noted if the land is rezoned to R-2, the zoning is tied to the land and if for some reason Mr. DiSanto does not develop the land, the plan could change. He noted that the Township is not permitted to do contract zoning. Mr. DiSanto noted, if he would sell the property, the zoning would go with the land. He suggested that he could contractually obligate himself to the development as planned, but another developer would not be obligated to do that. He noted that he could deed restrict the land to accommodate the limitations of development and

that would go with the land. Mr. Seeds noted if the land was sold and someone else bought it... Mr. DiSanto stated that the deed restriction would follow. Mr. Wolfe explained that the Township could not put deed restrictions on the land but Mr. DiSanto could do it. Mr. Stine noted that the Township could not do it since it does not own the land, but Mr. DiSanto could do it since he is the owner. He noted that he would not need any approval to do this as he could do it himself. Mr. Hornung questioned if he would need approval to remove the deed restriction. Mr. Stine answered, the only way it could be removed would be by going to court and challenge it. He noted once he sells lots, it would be very difficult to do that. Mr. DiSanto noted that he could add the deed restrictions, and remove it if there were no outsells, but as soon as there is one outsell, that property owner has a vested right to enforce it. He noted that he did not know how he could make TCC's commitment truer, noting that he is attempting to figure a way to accommodate this change to implement the plan. He noted that there has been a ton of man hours, design, commitment from the residents, Township and himself, to come together on a plan and he would like to see it implemented in this form as opposed to another form. He noted that he would not want to speculate on what would occur if this plan does not receive the rezoning he needs.

Mr. Hawk questioned the reasons the plan is in litigation. Mr. DiSanto explained that the plan was challenged by two neighbors. He noted that the Zoning Hearing Board denied the variance at the first meeting and approved the second variance request. He explained that he filed a motion that the denial for the first variance was improperly done due to a technicality in that the decision was not provided to him in the proper format, and the second variance was approved. He noted that he took the approval of the second variance and challenged the denial of the first variance, and as a result the Township and TCC entered into a settlement agreement on the first variance. He noted that a resident filed suit for the first variance and a second resident filed suit on the second variance. He noted that one case has been decided, the other one has been appealed, and the litigation could continue to drag on for years. He noted if he could come to a resolution to get the zoning to a format that no variance would be required, the legal issues would go away and he could move forward with the plan. He noted that Phase One for the plan is recorded and he could start construction, but with pending litigation there is a risk to in doing this, however, if the plan was rezoned to R-2, he could move forward with the plan.

Mr. Hawk noted that Mr. DiSanto has a meeting with SWAN on Wednesday, August 25th.

Mr. Seeds suggested that the closest R-2 zone is along Crums Mill Road. He suggested that Mr. DiSanto's land is surrounded by R-1.

Mr. DiSanto noted that a large tract of this size would not be considered spot zoning; normally spot zoning is for two-acre to five-acre sites.

Mr. Hawk noted that the Board could not provide any specific direction at this time; however, he would like to hear what comes out of the SWAN meeting in August. He noted that he would not mind attending the meeting. Mr. DiSanto noted that his presentation will be short committing to what he has already committed to for the plan. Mr. Hawk noted that he would be interested in what questions come about during that meeting. He noted that this has been a very long process. Mr. DiSanto noted that he was looking for open dialogue to know if the Board would consider the rezoning.

Mr. Seeds noted that he has a concern that the density would increase if the land was rezoned to R-2. He noted that he needs to be assured that the plan will remain as it and not add 200 to 300 more units. Mr. DiSanto noted that he could not make it any clearer that the current plan is what he wants to build. Mr. Seeds questioned how this could be done as he did not know. Mr. Crissman noted that Mr. DiSanto has offered a means by deed restricting the land. Mr. Hawk noted that the deed restrictions would be a must before any consideration could be given to rezone the land. Mr. Crissman agreed. He noted for someone who lives in the area, this plan would allow people to remain in the area and choose the type of housing they would prefer.

Mr. Seeds noted that TCC owns large amounts of land and he questioned if there was the possibility of trading development rights. He noted if there is a way to legally limit the land to the current plan, he would consider it, but he would not want to rezone the land with the possibility that it could be sold and the density of development would be much higher. Mr. DiSanto noted that he understood Mr. Seeds' concern.

Mr. Wolfe displayed the zoning map for the Township, and it showed that the plan is zoned R-C, Residential Cluster with two internal parcels that are still R-1 since they are not owned by Mr. DiSanto. He noted that there are two pockets of R-2 zoning to the north, noting that this land abuts the Laurel Ridge Development on the other side of the creek.

Mr. DiSanto again invited the Board members to attend the SWAN meeting to be held on August 25, 2010.

Discussion of waivers requested for the preliminary/final
land development plan for Pleasant Meadows

Mr. Wolfe noted that discussions were held with representatives of the Palmer Family Foundation during the last workshop meeting, and, at their request, they desire more discussion on this plan. He noted that the primary focus of the prior discussion concerned waivers for road width, cul-de-sac, and recreation issues. He noted that they wish to update the Board on their changes to the design for the plan.

Mr. George Parmer, Parmer Family Foundation, requested to provide some background for the plan. He introduced John Kerschner who was also in attendance. He noted that the project will be completed by the Parmer Family Foundation and the principal behind the foundation is to perform Christian causes with the goal to give back to the community. He noted that his family has done extremely well and would like to give back to the community. He noted that he is trying to follow a biblical principal to help the less fortunate, especially widows, and those who are aging and are unable to do the physical things that they once were able to do.

Mr. Parmer noted that the Pleasant Meadows Development will become an asset to the community. He noted that it is a not for profit development, and the project will be debt free. He noted that it is his family's way of giving back to the community. He explained that he recently received a call from a customer whose home he built 35 years ago whose husband had passed away. He explained that she is living in a 3,200 square foot home, and she wants to know when this project will be done. He noted that he attends church with many widows who lost their husbands, or widowers who lost their wives, and this is the target group for his project.

Mr. Parmer noted if someone purchases a property from the Foundation, when they leave, for whatever reason, they must sell the property back to the Foundation. He noted that the Foundation will refurbish the unit and resell it. He noted that is how he intends to keep the development in pristine condition. He noted that he has been working on this project for over five years, and at one time he proposed 340 units and now it has been reduced to 150 units. He noted that he could not afford to provide the same improvements for 150 units that he could if he

were building 340 units. He noted that it is his concern to develop this plan in the most efficient way to maintain the value for the residents.

Mr. Parmer noted that the project would have private streets, noting that fire and police services will be needed. He noted that it will not be a burden to the school district.

Mr. Parmer noted, during the last workshop meeting, much discussion was held regarding the street roadway and width and he has returned with a revised plan showing a 18 foot cartway, a four foot walking area and eight foot space for parking. He noted that second issue was the cul-de-sac, noting that it has been widened from 20 feet to 25 feet, to accommodate the large fire apparatus. Mr. Blain questioned what kinds of fire equipment could now negotiate the cul-de-sac. Mr. Kerschner noted that the cul-de-sac now complies with the radius. He noted that the only waiver that he is looking for would be the plantings in the middle. He noted instead of having a 20 foot lane it has been widened to 25 feet and there would be no parking allowed in the cul-de-sac. Mr. Crissman questioned if the parking for the straightway leading into the cul-de-sac be for one side only. Mr. Kerschner answered yes. Mr. Crissman questioned where the snow would be placed. Mr. Kerschner answered that it would be plowed into the center island. He noted that no trees will be planted in the center, only shrubs, providing a mountable curb. Mr. Parmer noted that his shrubs had about 18 feet of snow this past winter and they survived the winter.

Mr. Hawk questioned if the cartway is 25 feet. Mr. Kerschner answered yes.

Mr. Seeds noted that many people take more than an eight foot width to park the vehicles in the street. He questioned if the four foot travel path for pedestrians would be marked. Mr. Kerschner answered yes. Mr. Hornung questioned if slant curb would be used. Mr. Kerschner answered yes. Mr. Seeds noted that would be another waiver request. Mr. Hornung noted that people park closer to a slant curb than a vertical curb as they are not worried about running into the curb. Mr. Crissman noted that most units have a garage, but all have off-street parking for two vehicles. He noted that the new plan would provide for ample street parking and room for pedestrians to walk. Mr. Parmer noted if someone is having a party, they will use the community room located at the apartments.

Mr. Seeds questioned if any other developments have the pedestrian walkway on the road. Mr. Wolfe answered that Meadowview Village has this setup. Mr. Seeds questioned if they have experienced any problems with that. Mr. Wolfe answered that there have been problems

with the development, but he was not aware of any problems with the pedestrian path. He noted for these types of developments you do not experience the volume or speed of traffic that would provide a conflict with pedestrian traffic. He noted that there may be an issue that people may not feel comfortable using a four-foot lined pedestrian path in the roadway. He noted that the Board issue is not if elderly people would feel comfortable walking in the road; whether the proposal has sufficient path width may be another question. He noted that it has been done in Meadowview Village. Mr. Seeds noted that it would be less expensive to put the asphalt down than to install concrete sidewalks. He noted that there was also a concern about parking, and he noted that the plan called for parking on both sides of the street. Mr. Kerschner noted that the concern was that drivers would have to dodge vehicles as they drive down the street, but by limiting the parking to one side of the street it would provide for close to 100 on-street parking spaces. Mr. Seeds noted that having parking on both sides of the street would have provided for more parking and this will take away parking from one side of the street. Mr. Kerschner noted that was correct, but he explained that he is providing 100 parking spaces for the plan. He noted that the plan provides for two parking spaces per unit and on-street parking for overflow.

Mr. Seeds questioned what the requirement was for the 60-unit apartment building. Mr. Kerschner noted that there are 68 parking spots provided for that unit. Mr. Seeds noted that he had a concern that each unit would have only one vehicle. Mr. Kerschner noted that the apartment dwellers will not have more than one vehicle. He noted that couples will reside mainly in the single units. Mr. Parmer noted that the Foundation will run this plan in a way that it is run right. Mr. Seeds questioned if the Foundation would only permit one vehicle per flat unit. Mr. Parmer noted that he did not know if he wanted to commit to that. He noted that there may be a few tenants who have more than one vehicle, but then there may also be occupants who have no vehicles. Mr. Seeds questioned if 68 parking spaces would be enough. Mr. Kerschner noted that he is not asking for a waiver for parking for the apartments as the plan is compliant with the ordinance.

Mr. Parmer noted that the last item to discuss would be the recreation fees. He noted that a request was made to determine the costs for the recreation improvements. He noted that he provided estimated costs for the items to be included in the project and the total comes to \$352,490. He noted if he had to pay recreation fees and strip the improvements out of the project,

he might as well not do the project because it would be defeating the purpose of the plan to provide recreational opportunities to keep the residents within the development.

Mr. Seeds questioned how many of the items listed would qualify for recreational fees for the ordinance. Mr. Parmer noted that he does not want to delete any of the improvements from the plan as he feels that they are all very important to the project. Mr. Seeds noted that someone would have to review the ordinance to determine if the improvements comply with the requirements.

Mr. Blain questioned how the price estimates were determined. He questioned how \$95,000 was determined for 12 to 15 facility exercise stations. Mr. Kerschner noted that it was done by using the square foot costs to build the facility and the equipment costs. Mr. Blain suggested that the costs seem high, noting \$120,000 for a community gathering room. Mr. Parmer noted that it will have all the facilities, including a kitchen.

Mr. Wolfe noted that he would have staff do an analysis of the costs as compared to what is allowed in the ordinance.

Mr. Seeds stated that he did not think the Board could waive the fee-in-lieu. Mr. Parmer noted that he could not pay the fees and construct the amenities.

Mr. Hornung noted that the gathering room and indoor exercise facility, gazebo, benches, and walking paths seem to be recreational in nature. Mr. Seeds noted that he is not sure that he like the pedestrian path in the street and would have a concern about the recreational fees. Mr. Hornung noted that there are many places that do this, but he would not want to do it along Linglestown Road.

Mr. Parmer noted that in Ocean Isle Beach in North Carolina the streets are 22 feet wide and people walk, bicycle, and run golf carts on them. He noted that he had lived there for 30 years and he has never seen an accident.

Mr. Crissman appreciated the fact that Mr. Parmer has addressed his concerns about widening the streets for ample parking for visitors, and provide an area for a pedestrian path in the street. He noted that it is important that seniors have a safe environment to walk in. He agreed with Mr. Hornung that outside of a closed-in area he would not be receptive to this and he would require sidewalks. He noted that this is a more protective environment where people would not drive fast, and he thinks it will work. He noted that he likes sidewalk better, but an enclosed area would work fine for this project.

Mr. Wolfe noted that he would provide the ordinance analysis for the recreation improvements for Tuesday's business meeting.

Adjournment

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Crissman seconded the motion, and the meeting adjourned at 9:10 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by;

Gary A. Crissman
Township Secretary