

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Workshop Meeting held February 12, 2013

A workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 5:10 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 was George Wolfe, Township Manager; Steven Stine, Township Solicitor; Tom Smida, Mette Evans and Woodside; Jay Wenger, Susquehanna Group Advisors; Mike Bova, Boenning and Scattergood (by phone conference); Brian Luetchford, Parks and Recreation Director; Dr. and Mrs. Ben Chotiner, Dr. Eric Chotiner, Jim Snyder, Secary and Snyder; Jeff Staub, Dauphin Engineering Co; Ron Lucas, Stevens and Lee; Richard Leatham and Christopher and Schoonmaker, S&A Homes; and Watson Fisher, SWAN.

Pledge of Allegiance

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

Public Comment

No public comment was presented.

Continued discussion with the Financial Advisor, Underwriter, and Bond Counsel regarding the refunding of existing debt and the potential to incur new debt: New debt for storm water improvements and restructure debt and /or new debt for the Friendship Center

Mr. Hawk noted that the discussion will revolve around the refunding of \$10 million bond issue and possible discussion for new debt that may go along with the refunding.

Mr. Jay Wenger explained that he had a great phone call with the rating agency and the agency had some follow up questions that Mr. Wolfe handled very well and the agency committed to having a rating for the Township by the end of the week.

Mr. Wenger questioned Mr. Bova how many days he would need for a Preliminary Official Statement (POS) to be published before he would want to market bonds in advance of the sales date. Mr. Mike Bova answered that he needs to complete the purpose of the issue, and

the Board will determine tonight if they are going to add any new money and how much and then he would have the POS completed. He noted that he would like to have that for at least three or four days, so if not the end of next week, the beginning of the following week. Mr. Wenger noted that is fine.

Mr. Wenger noted that his expectation is that we would work through the new money component tonight. He noted that we are on schedule and track and should have the rating by the end of the week. He suggested that there were some things that they were favorably impressed with; the fact that the fund balance is building again, is very good news. He noted that the economy has stabilized, and there appears to be a little bit of growth starting again as they are positive factors. He noted that the analyst was very impressed with the fund balance policy and the ability to maintain the 25% level. He noted that the negative is that it will be very hard to get from an Aa rating to a Aaa rating. Mr. Hawk questioned if it would be costly to move up. Mr. Wenger answered no, stating that it is a matter of cash is king, the more cash you have on your balance sheet, the better your chances are. He suggested that the Township is not there yet.

Mr. Crissman questioned what the bottom line is. Mr. Wenger suggested that the Township will stay where it is for now, and maybe get a pump up one category but more likely they would like to see a year or two of fund balance building and a longer trend of that before the Township could be upgraded.

Mr. Wenger noted that it brings the meeting to the topic of new money. He noted that he spent some time looking at the Friendship Center (FC), meeting with Mr. Blain and Mr. Luetchford to discuss the cost allocation. He noted that Mr. Luetchford did a very good job of allocating business lines or centers for the FC for allocations of revenues and expenses. He noted to reduce it to simple terms, the pool complex on a cost allocation basis, loses about \$144,000 a year. He noted, in that loss number is an indirect cost allocation of about \$133,000 which is overhead for a lack of better way to describe it. He noted if you were to shut down the natatorium, you would save on the direct cost but you would also have to reallocate that \$133,000. He noted that while it appears that it is losing \$144,000 that is not exactly a hard and fast number because you are allocating indirect costs to the pool area and you cannot precisely identify how many memberships you would lose if you didn't have a pool complex. He noted that is not quite that scientific to say if we shut down the pool, here is what we would have.

Mr. Wenger noted that you have some debt on the books, about 25% of your current debt is allocated to the FC so if you were to shut the FC, the Township would be paying debt with no offsetting revenue. He noted if you add the \$600,000 for the pool pacs that allocation would go up a little bit but it does not make sense to shut down something that is providing a service in the fitness industry as the FC is the only one in the community that offers a pool of that size. He noted that LA Fitness has a small pool and everyone else is kind of concrete sneakers. He noted that it would be very challenging to compete if the FC did not have the pool.

Mr. Hawk noted that the Board is looking at what the ultimate is as far as new debt. Mr. Wenger noted that the numbers to present to the Board is \$1 million for the FC and \$3 million for the stormwater projects. He noted that Mr. Wolfe forwarded to him a list of roughly \$4 million worth of projects, \$1 million of which has already been spent. He noted that that the \$3 million is for projects planned for 2013, 2014, 2015 and 2016.

Mr. Smida noted when the Board issues new money it must spend it within a scheduled payout year. He noted that the Board needs to spend 5% within six months or 85% within three years. He noted that it must have some pretty definite plans as to how that money will be spent.

Mr. Hawk noted that Mr. Robbins estimated \$3.2 million for storm water and there is \$1 million for the FC with \$600,000 for the pool pac. Mr. Wenger noted that was included in the \$1 million. Mr. Hawk questioned if it would be out of line to build in a safety factor of borrowing \$5 million for new money. Mr. Smida answered that you have estimates that are certified by professionals for what is needed. He noted that \$5 million would be 20% more than what your estimates are for and that is considerable. He noted that he would caution the Board against doing that. Mr. Hawk noted that the Board would be better staying at \$4 million than \$5 million. Mr. Smida answered yes, especially if your build out plans are a little soft.

Mr. Wenger noted that the list Mr. Wolfe provided for is in the amount of \$3 million of yet to be completed projects, \$2 million is made up of two line items both scheduled for 2015. He noted that the lion's share of the \$3 million of new money will fall within the three year time frame, assuming that the 2015 project stays on schedule. He noted if there is another spreadsheet stating that there is another million dollars of projects in the next three years then we have a legitimate basis to do this. Mr. Smida agreed. He noted that absence some evidence that the Township has planned projects in that time frame; he is more comfortable going with the \$3

million for stormwater. Mr. Hawk noted that it makes sense; however, the only reason he suggested the \$5 million was that the Township doesn't get another crack at a refunding until 2015. Mr. Wenger noted that there are also some Authority projects that would need to be financed in 2015, so there is probably an opportunity in the next three years to capture the project beyond this reasonable \$3 million scope without having a stand alone \$1 million project.

Mr. Hawk noted that \$14 million will be available in 2015. Mr. Wenger agreed and he did not think that last million would be a big concern. Mr. Smida noted that he feels more comfortable with the \$3 million for stormwater. Mr. Seeds noted that we had \$3 million for stormwater and \$2 million for the FC for projects and debt reduction. Mr. Wolfe noted that we are doing the debt reduction separately through an inter-fund loan. Mr. Smida noted that it is not new money; he is talking about new money for projects. Mr. Blain noted that we have only identified the pool pacs and other items to total \$1 million. Mr. Seeds noted that the other debt we would do through... Mr. Wolfe noted an inter-fund loan. Mr. Wolfe noted that according to Mr. Smida, that would be the least expensive way to do it. Mr. Wenger noted if there is another \$1 million of new projects, noting that there is a capital budget for the FC, you could easily justify the next million, but from the last meeting he was preceding that borrowing any money was questionable and only do what was absolutely necessary. He noted if the Board overcomes the concern to spend funds at the FC, and wants to complete the plan, it could add another \$1 million, as he believes that in a three year time frame that additional money would be spent at the FC, as there is a fairly significant HVAC line item, so it would be spent if you wanted to add it now.

Mr. Crissman questioned if the \$1 million include the ability to offset the difference that is being reduced until the seven years is up for the current debt service. Mr. Wolfe answered that the \$1 million would be the inter-fund loan. Mr. Crissman noted if the \$1 million would cover that then he is fine, but if it doesn't then we need to add to it. Mr. Wolfe noted that it would cover the inter-fund loan and there is sufficient general fund reserve that you could offset the \$100,000 a year for an inter-fund loan. Mr. Wenger noted what Mr. Wolfe is referring to is an inter-fund loan that would reduce the debt service by \$100,000 for the next couple of years. He noted that the additional \$1 million on top of the \$1 million we are planning to borrow for more capital expenditures at the FC. Mr. Crissman questioned if it does not extend the loan in

additional years as a result of financing. He noted that the bond would include future budgeting after the time period the FC debt loan would have been paid off. He noted if it is in fact an extension, where will those dollars come from. Mr. Wolfe explained if the Township is loaning funds to itself it will control the terms and conditions, so how it is written is up to the Board. He noted that it would not impact any of the new money.

Mr. Wenger noted that page one of the debt analyses is divided into the allocations for the Township, Authority and FC. He noted that the annual obligation this year is about \$382,000 for the FC for about six years and then it drops a little after that. He noted that page four shows that by adding \$1 million of new money for the FC which is to be used for the next several years to prevent the impacting of a substantial burden to the cash flow creating a longer but more level debt service for the FC. He noted that the debt service averages out to be less than \$400,000 a year, increasing the current debt level by \$20,000. Mr. Blain noted with the \$1,010,000 additional debt, the Board can structure it so that the FC can maintain level debt service with a little increase. Mr. Crissman noted that it would be an additional \$20,000 per year extending the debt out to where. Mr. Wenger noted that he is not extending it, rather backfilling it, using the same terms. Mr. Crissman noted that the debt service disappears in 2025, with an additional \$20,000 per year. Mr. Wenger noted that it would cover the funds for the pool pacs and other items that would be purchased. Mr. Wolfe noted that it does not count the inter-fund transfer which is the way the Board would structure the debt. Mr. Seeds noted that Mr. Luetchford would not have to worry about budgeting for the pool pacs as we would be borrowing funds to pay for it.

Mr. Wolfe noted if you look at 2013, the original debt service was \$381,983 but he budgeted \$281,983 under the assumption that the Board would reduce the debt for 2013 in some fashion by \$100,000. Mr. Blain suggested that it would be through the refinancing of the bonds. Mr. Wolfe noted that it would be through restructuring which is what we talked about during the budget conversations. He noted, since that time, the bond counsel has told us that it can be done, but it will be very expensive given the small amount of money that we are talking about. He noted that it would be much easier to do it as an inter-fund transfer where the Board controls the terms and conditions. He noted that the FC has \$100,000 that needs to be addressed above this process. He noted that the last column, the \$392,639, includes debt service for the \$1,010,000

but it does not include the \$100,000 that must be addressed to make the budget which was contemplated as in inter-fund loan. He noted that the terms and conditions would add another column to this sheet for the loan that has yet to be set. He noted that the terms and conditions have to be determined before finding the funds for the loan. He noted that it could be added on in years 2026 through 2029 when you have no more debt. Mr. Crissman suggested the best way to maintain level debt service is when the debt terminates, adding the inter-fund loan repayment at that time. Mr. Seeds noted that the Board would have to find the \$100,000 from the General Fund to do this. Mr. Wolfe noted that you have a \$5 million fund balance so you can do that. He noted that he would not advocate using those funds to fund the FC; however, this is a loan as apposed to a borrowing that costs money and it would be expensive for the numbers you are talking about. He noted that an inter-fund loan could cost nothing. Mr. Seeds noted that the Township could loan the FC a \$100,000 a year and in 2026, the FC can pay it back and even be charged interest for those years.

Mr. Blain noted if the Township did an inter-fund loan to the FC, can it be at zero interest. Mr. Smida answered that he did not think so. He noted that you are not two separate entities; the FC is just an enterprise fund debt. Mr. Wenger suggested that the restriction that Mr. Blain is referring to is under the IRS guidelines, it has to be a market rate, but as a governmental agency... Mr. Blain noted that he wants to assure that the intergovernmental transfer of money needs to be established at arms length.

Mr. Wolfe noted that this is a secondary discussion, as the current topic for the FC is does the Board want to incur new debt, noting that the Township will supplement in some fashion the 2013 FC debt service by \$100,000 either though a bond or an inter-fund loan. He questioned does the Board want to borrow an additional \$1 million for capital projects. He noted that staff has prepared the cost center information to show, based upon the assumptions that we can present today, where it is making and losing money. Mr. Seeds questioned if the \$1 million would only pay for the pool pacs and not the roof. Mr. Luetchford noted that he is not planning to replace the roof for another ten years. He noted that the \$1 million would take care of the pool pacs and variety of other things previously discussed. Mr. Wolfe noted that we have a three-year window, therefore, what staff originally prepared and presented to the Board was the expectation of need for the next three years. Mr. Luetchford noted that it would include redoing the pool

shell. Mr. Seeds questioned if it would include items that are needed to keep the doors open. Mr. Luetchford noted that it would provide for the lease of more fitness center equipment. Mr. Wolfe noted that it is part of the capital budget. Mr. Wenger noted that there is nothing in the million dollars that is structural to the building that has to be done. Mr. Luetchford noted that a large portion is HVAC equipment. Mr. Blain noted that it includes the two pool pacs and HVAC. Mr. Wolfe noted that the information from the last meeting did not change. Mr. Luetchford noted after those items are completed then he would do the locker room HVAC in 2015 and then the other units on the rooftops, ten of those to deal with over the course of a few years. Mr. Seeds noted that it is \$400,000 in 2014 and \$506,000 in 2015. Mr. Luetchford added that it would include \$86,000 for 2013.

Mr. Hornung noted that the life is four years for the equipment. Mr. Luetchford noted that it is for the equipment replaced last year. Mr. Hornung questioned if we will need another \$100,000 to replace the same equipment in four years. Mr. Luetchford noted that we will have a regular rotation schedule for the replacement of equipment. Mr. Hornung questioned if we will have the money to do that. Mr. Wolfe noted that you have a capital plan that lays all of the equipment needs for over a 20 year period. He explained to fund the plan we need to put \$170,000 a year into that fund. He noted that it would include the pool pac units with some years spending little and other years spending more. He noted that that the FC does not generate those funds at this time. Mr. Hornung questioned with the restructuring could we meet that cash flow. Mr. Blain answered no. He noted that the issue is that we are talking about putting \$1 million into the FC for facility upgrades. He noted that they are not revenue generating matters, they are maintenance. He noted that the same holds true for the HVAC systems. He noted that it covers the protection of the asset that you either continue to cover to keep it marketable or you don't.

Mr. Hornung questioned if we will be in a bind eight years from now when we need another \$100,000 to spend. Mr. Crissman noted in 2021, it would be \$473,000. Mr. Hornung questioned if we should try to solve that issue tonight also; do we think short-term to get us out of the hole knowing that seven years from now we would be back in the hole again. He questioned if we can solve it tonight. Mr. Wenger noted that capital assets depreciate over time, noting that the HVAC has a harder life than fitness equipment, so the theory is that you pay long

term assets with long term debt. He noted that the pay-as-you-go will be very difficult given the current state of operations, and he suggested that the question should be determine if we should borrow more today to address these issues. He noted that the initial concern was if the Board should spend dollar one and the Board is past that with the obvious question being should it borrow \$1 or \$2 million. He noted if you have identified another million in projects, borrowing it now would help the operating issue on a year to year basis and fund your capital. Mr. Seeds noted if you are looking at \$170,000 a year... Mr. Luetchford noted that these first years for expenditures are much larger than the \$170,000 annual contribution; therefore that is why we considered borrowing this amount of funds. He noted that we are talking about taking care of the building, but if you are looking to restructure portions of the building, the plan identifies the fitness center as the greatest generating area and if we were in a better economy then we have a chance of making maximum use of the space. He noted that expansion and equipment would easily cost \$100,000.

Mr. Hornung noted that his one concern is that we are spending more money but it does not increase the revenues, and we need to look at this on a longer term basis, to invest in areas that will help to increase revenue. He noted that replacing equipment will help to do that as people like new stuff but we need to invest in the redesign of the interior to generate additional revenue. He explained that we can't be to nearsighted not to include those funds to borrow money and extend out the debt. He questioned how we mix the short term needs with the long term needs.

Mr. Wenger noted if you borrow \$1 million over 20 years that is about \$75,000 in debt service versus a budget of \$170,000 of pay as you go. He questioned if we would start to lose marketability in revenue if we don't do these things. He noted if the HVAC units are worn and at the end of their life... Mr. Hornung noted that the HVAC is a done deal; what he wants to discuss incrementally is does the FC have the viability to go the next 20 years. He noted if we are not doing that then we are nearsighted. He noted that we need to look long term to ensure that it is viable for the next 20 years. He noted that I don't want to come back in five years to borrow more funds. He questioned what we are doing to make the asset make money as the bottom line as it must make money. He noted if we are only borrowing to keep it whole, he is not buying into that. He questioned if we should borrow more funds to make money.

Mr. Blain noted that he does not think that the Board is addressing the main issue, talking about borrowing more money to help grow the center for the future to fix things. He questioned if the revenue stream is strong enough to generate income to put into reserves to be able to do that into the future. He noted that he wants to know where the value in the FC is now, noting that it is not the revenue stream since we have deficits every year. He noted what is valuable is the building so he would like to increase the integrity of the building to keep it marketable; however the Board needs to discuss the true structure of the FC, how it operates, what we are doing with the center, and then put all the options on the table for what could be done in the future. He questioned if we make some small changes to the current mode of operation or do we want to look at different options or ways to operate it. He noted that he would want to do this before he would be willing to borrow an extra million on top of the million we are already posed to borrow. He noted that we need to get the FC profitable enough that it can generate enough income to be put into reserves so it can do what was supposed to happen from the beginning, self sufficiency. He noted in order to do this we have to be putting money back to reinvest in the business and use the funds to expand operations or provide leverage to borrow more money if needed. Mr. Hornung noted if we are not doing this by making renovations, then we are killing it. He noted that he does not know if an extra hundred or two hundred thousand dollars is enough, but if we don't provide the availability, then what have we gained. He noted that it needs to pay itself back so that we know that it would be building up reserves to buy new equipment.

Mr. Hornung questioned how we do that. Do we borrow money to refurbish the area in the center to allow for more programming? Mr. Blain answered that he does not know. He noted that the fitness center appears to be a profit center but we are not sure what the right size should be. He questioned if we need to make it better. He noted if memberships are trending down, making the fitness center better does not necessarily equate to more memberships coming in. He noted that you need to compete with the Planet Fitness's but making it larger may make it worse.

Mr. Hornung questioned what areas we can build to make it better. Mr. Wolfe noted that he and Mr. Luetchford have had this discussion and it gets back to the analysis provided to the Board members. He noted on page two, the two areas that make the most money are the fitness center and classrooms where you have programmed activity. He noted that the aerobics room

was set up for the multi-purpose room. He noted that there seems to be a synergy between more people in the center and the fitness center; however, we need more space for programmed facilities as they are in demand as we turn people away from programs. He noted that it would bring more people into the center and once you get them in you sell them on what you have and we have a fitness center and a pool. He noted that the pool is not the money maker, the fitness center is. He noted that we have to find a way to increase the number of programs, bringing more people into the building and when they get there providing something for them to do other than programs, which is the fitness center. He suggested that we need more program area and more fitness center. He noting that adding 1,000 square feet of fitness center and not bringing more people into the building does nothing, but adding program facilities and bringing the people into the FC is great, noting that they will stay for the program but if you can't keep them in their for other activities you are missing out on their benefit of a membership. He noted that people who are in the programs should want to become a member. He noted that he was not sure that the Board is in the position to make the decision tonight.

Mr. Hornung questioned how we fund it if we don't make that decision tonight. Mr. Wolfe noted that we are talking about a borrowing based upon opportunity and it does not mean that we can't borrow again in the future at reasonable rates or have other opportunities in the future. Mr. Hornung suggested that we can't put this off very long as the longer you put it off, the more it hurts the FC and allows it to decline;, the more difficult it will be to get it back.

Mr. Hornung noted that Mr. Wolfe stated that we don't have enough information. Mr. Wolfe noted that there are ways to accomplish the space that you want, you could put fitness equipment in the social hall without any modification and take one bay of the gym, pulling a curtain out and running classes in it. He noted that this could be done at no cost but his concern is how much do you invest in doing it right versus how much do you now invest by doing it penny wise and pound foolish. He noted that we need someone to look at the recommendations and to determine if you put a classroom into the gym area will you have sound issues that will make it difficult for those exercisers. He noted that we need to address those issues. He noted that we may need to build a permanent wall and we are not at that point where we can come up with solutions.

Mr. Blain noted that you should build out a Performa that states if we were to build out certain areas how many more classes could we generate, what is the expense to do it and how many more classes could be offered to do it. Mr. Wolfe noted that we have already started to do this. Mr. Blain noted that you have to think how many more memberships you would get if you build out the fitness center.

Mr. Blain questioned what the membership is for a family of four. Mr. Luetchford answered that it is \$650. Mr. Blain noted if we were to borrow \$1 million of additional debt on top of what we currently have with a \$100,000 deficit, you have to make up \$200,000 to break even; you would need over 200 new memberships. He noted if we would do this, how much we would generate in revenues. Mr. Wolfe suggested that you make it up with half memberships and half additional program revenues. He noted that one will feed off the other but it is too premature to borrow to do that now.

Mr. Hornung questioned how much money comes in for programming at this time. Mr. Luetchford answered that it is around \$200,000 to \$300,000. Mr. Wolfe noted that you could go over to the FC and there are times during the day when there is no one in the place, but given when you have a demand for the facility we are booked. He noted that we turn people away for many of the programs. Mr. Luetchford noted at this time, we do not have a huge waiting list but traditionally we have had huge waiting lists. He noted that this is the first season that it did not occur.

Mr. Hawk questioned where we will get the money when \$4 million was the suggested number to go with. Mr. Wenger noted that the \$4 million was in response to borrowing more funds for storm water projects using a defined list of projects at \$3 million, so \$3 million is for storm water and \$1 million is for the FC. He noted if there are other projects that you want to add to the list, or alternatively if you want to add another \$500,000 or \$1 million based on projects, as long as there is a defined project list, you can finance it. He noted once you have financed it, you can go back with those dollars and change the scope of the project as long as it is still for the Township. He noted that it could be \$1 million for deferred maintenance for 2014 through 2016, and maybe some of those funds go to changes in the building to accommodate new programs. He noted that the \$4 million was based upon should we borrow more for storm water and we only have \$3 million in projects. Mr. Hawk noted that is why he suggested the \$5 million. Mr.

Hornung noted that you have to have something specific and usually you have to have a contract estimate and detailed plan for what you are going to do. He noted that we are not that far along to put it into paper and come up with a number to go after it.

Mr. Luetchford noted that the Capital Replacement Plan is extended out through the next five to eight years. Mr. Hornung noted that we could use that to borrow against, but we can't just have another number to say we think we want to do certain things. He suggested that we need to continue these discussions fairly soon to resolve how to generate more income at the FC, but he does not see that it is possible to include it in on this refinancing. Mr. Hawk noted that it would be better to look at the serious areas of concern. Mr. Seeds questioned Mr. Luetchford if he was okay to do the \$1 million for the FC and he suggested that Mr. Wolfe is okay with that as well.

Mr. Blain noted that we don't want to borrow \$1 million and the discussion goes away as we need to stay on top of this discussion as we have a track record with the center of memberships going down and deficits and we need to address that operational issue immediately. He noted that urgency and honesty is needed in bringing all the issues to the table for the things that need to be changed and how to do it and what options are on the table. He noted that we have to continue to sit on top of this.

Mr. Seeds noted that some issues will be hard to address, such as the Federal Governments program for seniors where the FC is getting so much per visit instead of the defined monthly membership check. He noted that it has cost the FC a huge amount of money over the years. Mr. Hornung noted that is what business is all about and you have to react to it and develop another plan. Mr. Seeds questioned how we react to this. Mr. Hornung noted that Mr. Luetchford knows what to do as he interacts with the customers. He noted where the strengths and weaknesses are and what complaints are coming back from the customers. He questioned how quick Mr. Luetchford could come up with a Performa of what we can do to get an estimate from a contractor.

Mr. Wolfe noted that he would like to bring this back to the March workshop meeting to further brainstorm how we approach the issue. He noted that he would like to bring some harder data to look at in regards to program activity, what is profitable and if we have the ability to expand those programs into other locations at the facility.

Mr. Crissman questioned the capital outlay for projects out to 2023, what is the total costs. Mr. Luetchford answered that it is \$170,000 per year times the number of years. Mr. Wenger suggested that it would be \$1.7 million for ten years. Mr. Crissman noted that it has nothing to do with programming or retrofitting and that is why he would support spending more money.

Mr. Hornung questioned if Mr. Fleming from HRG would be capable of providing an estimate for the construction items plus or minus 20% to provide an idea of what we are talking about.

Mr. Blain noted that we need to discuss the management structure of the organization and how it is run, noting that we don't have a great track records for income generation, but he stated that the blame is not on any one person. He noted that we are trying to run a facility that is competing with the private sector which is an issue that needs to be addressed by the Board. He noted that it is difficult to have a government entity run an organization as a for profit entity.

Mr. Hornung questioned if we have that discussion first or during the same time we have the other discussion. Mr. Blain suggested that we need to have this discussion first before we start getting costs for construction and other items. He noted that we need to discuss where we are going with the FC and what the mission is we are trying to accomplish as he thinks it has morphed itself into something different than what it started out as. He noted that we are trying to figure out how to make money on it.

Mr. Hornung questioned when we have that discussion. Mr. Blain suggested that we have it as soon as possible. Mr. Hornung questioned during the next workshop session. Mr. Blain agreed. Mr. Crissman noted that it is a side issue from what we need to do tonight. He noted that Mr. Luetchford needs \$1.7 million for the work through 2023. Mr. Wenger noted that we cannot finance projects out to that length of time, only three years. He suggested that the variance is \$500,000 and there are enough projects to add \$1.5 million to spend over the next three years. He noted that we have gone from spending nothing to \$1.5 million on the FC. Mr. Blain noted that Mr. Luetchford stated that \$1 million would get him through the next three years. Mr. Luetchford agreed. Mr. Seeds questioned if the funds could be used for debt reduction. Mr. Smida answered no, only certified capital projects to fulfill tax requirements.

Mr. Wolfe noted that the Board is refunding \$10 million, borrowing \$4 million of new money, \$3 million for stormwater improvements and \$1 million for FC. He noted if that is the case we have a time schedule in which to talk about this. Mr. Blain noted that he will go with \$1 million only at this time. Mr. Wenger noted that Mr. Bova is finishing the POS and waiting for the rating agency to call back. He noted if we have a rating by Friday, the bond sale could occur the early part of following week. Mr. Bova suggested that it would occur the week of January 25th, maybe the 26th and 27th. Mr. Wenger noted that we are ten days away from a bond sale and thirty days from closing around March 30th. Mr. Smida noted to keep the bank qualification on the refunding, we can't do more than \$10 million at a time, so we will have two issues, the first for the refunding series for the 2006 bonds, and then wait 15 days to have a second series to do the new money. He noted that we need to focus on the refunding issue. Mr. Bova noted that he asked his desk the difference between bank qualified and non-bank qualified and there is not much difference out to 2024 or 2025. He noted that it is a short loan so if we go over \$10 million and end up being non-bank qualified, as long as we don't extend the debt out too far it would only have a minimum impact.

Mr. Wenger noted that he would get with Mr. Bova by the end of the week to confirm that information but if that is the case then we could go for a single issue if that is where the market is today. Mr. Wolfe noted if you are doing a refunding or single issue the important part is meeting the action date for refunding which is next Thursday. Mr. Smida noted that what he is saying now is that April 1 is not a hard date. He noted that there are advertising requirements and with what the Patriot-News has done, it makes advertising more difficult. He noted that he could get it done by April 1st, but he would be required to accelerate everything to next Thursday, at the earliest to meet the advertising requirements. He noted that Mr. Bova would like more time and if we push it out to the next week, we would have more time and we could close the first week of April. He noted if we can combine it into one and bank qualified doesn't mean anything then we could do it in one fell sweep and it is over. He noted if bank qualified does mean something, then we will have to break it up. He explained that they will take another look at it on Friday. Mr. Wenger noted that we will want to publish what we intend to do as best as we can contemplate the facts; however, if we get a week out and the market has changed completely then we reserve the right to go back and reprint a series A and B and do a bank qualified and

non-bank qualified. He noted that the likelihood that the market would change that much in a span of six to seven business days is very small. He noted it is a short issue.

Mr. Smida noted that we need authorization to move forward. Mr. Wolfe noted in this workshop session the Board can authorize the bond counsel, financial advisor and underwriter to move forward with the refunding of \$4 million of new money. Mr. Smida noted with respect to the refunding, this is subsidized debt and we will need to have an Authority meeting at the same time to authorize the subsidy agreement.

Mr. Hawk made a motion to refund the approximate \$10 million and \$4 million of new money. Mr. Smida noted that specifically we are retiring the Series of 2006 bonds. Mr. Hawk noted that the correct number would be \$9,995,000. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote: all members voted aye except Mr. Crissman who voted nay.

Mr. Hawk called for a brief recess at 6:17 p.m. Mr. Hawk reconvened the meeting at 6:29 p.m.

Continued review of the land development plan for
building additions to Memorial Eye Institute

Mr. Wolfe noted that the Board requested continued discussion for this plan specifically for the requirement to install sidewalks.

Mr. Jim Snyder, Secary and Snyder, noted that Dr. Chotiner proposes an addition to his building of 5,000 square feet, and it has been recommended for approval by the Planning Commission, except for the waivers for sidewalks along Linglestown Road and Dover Road. He noted that he has taken care of all the other engineering comments explained that there is a memo from HRG that addresses those issues. He explained that we are here to further discuss the waivers for sidewalks.

Mr. Snyder noted since it is a very minor land development plan and there is no need for additional access or parking, the plan is only to accommodate internal needs for the business for the patients.

Dr. Chotiner noted that he has much more equipment to use than what was used in 1985. He noted that the building served him well but he is short of space needing more operating and outpatient rooms. He noted that the northwest area will house additional testing equipment and provide more waiting rooms for the patients. He explained that he is running out of space.

Dr. Chotiner noted that he has exceeded his budget and had wanted to raise the Porte Cochere for buses that transport the many senior citizens that are unable to access that area at this time. He noted that medicine for the private sector is changing but it is something that he wants to do and yet stay within his budget for the patients and community. He noted that he is hoping the Board would waive, for the present time, the requirement for sidewalks, as they would go to nowhere as there is very little sidewalk along Linglestown Road. He noted that there is a sidewalk that was installed when the corner building was built.

Dr. Chotiner explained that he is not building a new building, and he was asked if the sidewalks would make or break the project and he replied that he must watch the money that he plans to spend. He noted that you can't walk from his office to the Sheetz as there is a bridge and guardrail that would not allow the installation of a sidewalk around it. He noted that the adjacent property is for sale and has been for the past seven years. He explained that he is trying to avoid any costs that he does not have to entertain at this time. He noted that he is willing to add the sidewalk when the adjacent properties are developed and it could be part of the approval process.

Mr. Hawk explained that he missed the last meeting and he noted that HRG had provided input that they are in support of the waivers except for the sidewalk issue. He noted that it is still an issue. He noted that the Board could approve or deny the waiver or put a note on the plan, however, he is concerned that the note would get lost. Mr. Blain noted that Mr. Seeds made a comment concerning who would enforce the note on the plan when the property next door puts in its sidewalk. Dr. Chotiner noted that he spoke with Mr. Stine about this and when the adjacent property is developed and sidewalks come up, someone would remember the note on his plan. He noted that it would be a sidewalk to nowhere and an expense that he would like to defer at this time. He noted that the Planning Commission was willing to waive Linglestown Road but wanted sidewalk on Dover Road and it turned out to be very expensive as he would have to install curb and storm drains.

Mr. Hawk noted that there are several businesses from Dr. Chotiner's to Sheetz... Dr. Chotiner noted that there is a sidewalk in front of a bank on Forest Hills Lane and that was installed when Forest Hills Drive was put in 35 years ago. He noted that there is a sidewalk east to where the office condos are. He noted that there is no way anyone would use the sidewalk,

especially the one on Dover Road as there are no sidewalks on Dover Road except the one that comes around the corner. He noted that the sidewalk at the bank goes nowhere and it stops at the traffic light pole. He noted if he does not have to spend the money now, he could put the money to better use.

Mr. Seeds noted that Mr. Fleming was in attendance at last week's meeting and was asked for his recommendation for the waiver which he now has. He noted that the memo dated February 7th agrees with waiver of curbing on Dover Road as HRG feels that the water would drain better without curbing. He noted that HRG does not agree with the waiver request for sidewalk on Dover Road or Linglestown Road. Dr. Chotiner noted that the Planning Commission approved the waiver for Linglestown Road. He noted that he was fine with that at the time as he felt he could install the sidewalk along Dover Road. He noted if he had to install a sidewalk on Linglestown Road it would impact his current signage and require the installation of a retaining wall. Mr. Snyder noted that the sign is mounded up near the PENNDOT right-of-way and PENNDOT prohibits sidewalks in their right-of-way. He noted that it involves trees and poles but the sign is mounded up in that area. Mr. Seeds suggested that you may have to lower the mound or put the sign up on a pedestal. Mr. Hawk noted that he did not understand the retaining wall. He suggested that it would hide the sign. Mr. Snyder noted that there are several feet of elevation change that would have to be accommodated, noting that it would be expensive to move the sign. He noted that he would have to build a wall.

Mr. Seeds noted since he has been on the Board he has not granted a waiver along Linglestown Road, noting that there are several places along that area that need to be filled in, noting that the area would be developed. He noted to give approval at this location is not good. Dr. Chotiner noted that the intent is good, but the reality is that it would be a long time before sidewalk is installed along the entire roadway. He noted that the Blue Ridge Country Club can't be developed for some time by contract with the Triple Crown Corporation. He noted that the zoning along that area is for professional offices. He noted that there is little or no stores or anything like that in that area as people basically drive that area. Mr. Seeds noted that it is zoned in a way to prevent it from becoming another Route 22, for professional offices like yours and small stores. He noted that the new sidewalks in Linglestown are beautiful and he see's more and more people using the sidewalks and has friends in their 80's and they walk a lot as that is

how they stay healthy. He noted that they say that they would like to be able to walk to Susquehanna Township or Oakhurst and would like to see more sidewalks. Dr. Chotiner noted that they did a great job in the Village with the roundabouts and lights, but they can't walk the same way on Linglestown Road. He noted that he is not asking for a permanent waiver, noting on Jonestown Road near the Paxtonia Elementary School, a waiver was granted until further development occurs. Mr. Seeds questioned where that is located. Dr. Chotiner noted that it is west of the Paxtonia Elementary School. Mr. Blain suggested that it is three or four houses up from that location, a new building that was built on an empty lot. Mr. Seeds noted that it is next to the soccer fields. He questioned if the Board granted a waiver for the sidewalks. Mr. Blain answered that he did not remember if we did or not. Dr. Chotiner noted that the waiver states that it was part of the development plan. Mr. Seeds questioned if the waiver was until the adjoining properties had their sidewalks installed. Dr. Chotiner answered yes. He noted that is all he is asking for at this time, and if the property next to his was developed and walkways were put in then he would put his in at that time.

Mr. Seeds questioned how to track that. Dr. Chotiner noted that that subject has been brought up. He noted that the Township has the legal right to do it and provide a requirement for later installation, but he can't speak as to how the Township will track it. He noted that someone will be reminded of that as the Memorial Eye Institute should be along Linglestown Road for a while and he is prepared to sign a legal document.

Mr. Seeds noted that if the parcel to the east is developed they may also want to be granted a waiver. Dr. Chotiner noted that you could tell that person that as soon as he builds his property that Dr. Chotiner has to put in his sidewalks. He noted then it would connect to something. He noted that he is only asking for a deferral. He explained if he has to spend the funds to install all the sidewalks, then the project becomes questionable at this point. He noted that hopefully private practice of medicine will survive, noting that he is on many boards...

Mr. Hawk noted with the approval of all the waivers that HRG agreed to with the exception of the sidewalks that the doctor would be willing to put in, Dr. Chotiner makes a compelling argument. Dr. Chotiner explained if it was only \$10,000 it would be different, but the cost is more like \$60,000 to do the work. He noted that he is cutting back on other items such as doors that need to be repaired, that were beaten up by wheelchairs.

Mr. Hawk questioned if that was a good estimate. Mr. Snyder stated that it is a very good estimate as they had a contractor provide a price for the work. He noted that there was much more work to be done on Dover Road explaining that you couldn't waive the curb and not waive the sidewalk due to the drainage issue in that area. He noted that there is a low point that would need to be addressed for the sidewalk, and all that work adds up to about \$25,000. He noted for Linglestown Road, the excavation, walk and retaining wall all adds up. Mr. Seeds noted that you can't put a sidewalk on Dover Road without the curb due to the drainage. He questioned why HRG would agree to the waiver for curbing and not sidewalk. He noted that he would have to ask Steve Fleming why he said that. Mr. Snyder suggested that he understands the issue because during the last meeting, it was discussed that there would be water running across the road into the sidewalks. Mr. Seeds noted that you would have to make a swale from the edge of the road up to the walk. Mr. Snyder noted if you are to put in sidewalks properly, you should have curbing and there are drainage issues.

Dr. Chotiner noted that it is an issue now if he wants to add to the building and what he would be able to offer his patients within reason. He noted that 30 years ago when he built the practice, the government was paying to build hospitals and helped to develop those things, but now it is different. He noted that he did not think he would need a land development plan which was a \$40,000 expense. He noted if the project gets pricier, he will have to go under 2,000 square foot addition, but he would like to be able to do what he has planned.

Mr. Hawk noted that the Pennsylvania Legislature is working to tweak the permitting process so who knows what will come out of that.

Dr. Chotiner noted that there is the letter of the law and the spirit of the law and for the spirit of the law, for his practice and for how long he has been there, and for what we are all about to be trusted, he is not trying to get out of anything. He noted that he cares about the community and is asking for something the Board has done before, to defer the building of the sidewalks.

Mr. Blain noted that it is in addition to an already established site, and questioned how big the current footprint is. Dr. Chotiner answered that it is 23,000 square feet. Mr. Blain noted that he wants to add an additional 5,000 square feet, to have him incur the expense of sidewalks for a 5,000 square foot addition doesn't seem fair to the business owner. He noted that he would

be inclined to go with the waiver. Mr. Seeds questioned if it would be a waiver without forbearance. Mr. Hawk noted that Dr. Chotiner is willing to do the forbearance for the future. Mr. Blain noted that he threw out the idea before of a 48 month stipulation that it must be built within that time, providing Dr. Chotiner time to find the money to do it.

Mr. Hawk noted in the area that the doctor is located, there is no way to get to Sheetz without walking out into Linglestown Road. He noted that cost benefit ratio for the \$60,000 improvement for the building addition is not there. Mr. Blain noted if Dr. Chotiner wanted to build a 20,000 square foot facility, we would all be inclined to tell him to put in the sidewalks because the cost of that facility in perspective to the cost for sidewalks would be a minimum amount overall. He noted that the scenario for the same plot of land that has been developed for over 25 years, with a 5,000 square foot addition, to put in the same amount of improvement into the sidewalk is not equal. He noted the cost to install sidewalk for a 28,000 square foot improvement doesn't change versus 5,000 square feet, but for the entire picture the 5,000 improvement would cost a lot less as much of those funds would be put into the sidewalk improvements. Mr. Hawk noted that he was thinking of doing something at his home and once he got the estimates he determined that the cost/benefit ratio was inadequate.

Mr. Seeds noted that he can see Mr. Blain's point but for him to go along with it he would have to change his thinking for all of Linglestown Road. He noted that you have to be fair to everyone. He noted that he might go along with the waiver for Dover Road noting that he likes HRG's recommendation as he could buy into the waiver of sidewalks and curbing along Dover Road but he is having a difficult time agreeing with Linglestown Road. He noted that it has been his goal for years to have sidewalks installed along Linglestown Road. He noted that he would be setting a new precedent for him.

Dr. Chotiner noted that all the sidewalk requirements have been for new construction and not additions. Mr. Seeds stated that he was not sure about that. Dr. Chotiner noted that would be for the ones near to where he is located. He noted that there is no pedestrian traffic along there. He noted if people would walk from Forest Hills Drive to Dover Road they can't go any further as they can't go up or across Dover Road. He noted that they can't go across the street as there is no sidewalk along that area, just a little section in front of the Graystone Bank. He noted that he appreciates where the Board is coming from, noting that you can not do something for

one and not the other. He noted that it is not reconstruction, only an addition with no additional parking noting that he does not plan on seeing more patients. He noted that he needs more room for his equipment.

Mr. Seeds noted that an accountant, Carol Schreckengaust installed a sidewalk and that was for an addition to the building. Dr. Chotiner noted that a waiver was granted to a tractor place in the 6600 block of Linglestown Road. Mr. Hornung noted that there is nothing out that far. Mr. Seeds noted that it was for Walter's Tractor Service.

Mr. Blain noted that Dr. Chotiner is saying that the Board has not been consistent in regards to this matter. He noted that we have agreed to some waivers and not to others. He suggested that it was the feel of the Board at that given time. He noted that he did not remember the discussion for the Jonestown Road property as the Board must have given him a waiver. Mr. Seeds noted that it was until there is future development. Dr. Chotiner noted that there is a document 13 that mentions it. Mr. Blain noted that there would not be any future development as it was the only vacant lot. He explained that we would have to go the property owners and tell them that they had to put in sidewalk. He noted that we must have had a reason at that time to grant the waiver.

Mr. Hornung questioned what Mr. Crissman was thinking. Mr. Crissman noted that he would be supportive of the Township engineer. He noted when he had to do renovations for any part of the school buildings; he had to bring it up to current code at that time. He noted that he would support the Township Engineer.

Dr. Chotiner noted if you could think about the cost benefit ratio for him versus the cost for the sidewalks. Mr. Hornung noted that he wants to go out and look at the site one more time. He noted that he would like to require a stipulation on the plan, that in the future, sidewalks be installed in three to six years. Mr. Hawk noted that Mr. Blain had mention four years and it was discussed that a four-year time period could be provided for the installation of the sidewalks from the time that Dr. Chotiner completed the project. Mr. Seeds noted that it might be a compromise position but if we do it there we will be asked by others to do it for them and the Board should try to be consistent.

Dr. Chotiner suggested if the adjacent sidewalk is installed then he would have to install sidewalk within a certain time like one year. Mr. Seeds noted that it might state that it would have to be installed within a year of future development or four years whichever comes first.

Mr. Hawk noted that there are two issues; he questioned when Dr. Chotiner is ready to start construction. Dr. Chotiner answered that he is pretty far along and wanted to start before winter came in. Mr. Hawk noted that the time frame is getting short and Mr. Hornung wants to take another look at it. Mr. Hornung suggested that it be put on the agenda for the next business meeting.

Dr. Chotiner noted that he would be very happy to include in the document the same language for what was done for the property on Jonestown Road. He noted that he is a private business, and the costs are not something that he could pass along unlike a developer who could add the additional costs to the price of the lots that he sells for the property that would be developed. He noted that it would be attached to the land development plan approval that if the adjacent property would be developed, he would extend the circle but it would end at Dover Road. He suggested that nothing will happen west of Dover Road at this time unless houses are torn down on the other side of Linglestown Road. He suggested, as a safety issue, it is more hazardous to have a sidewalk that doesn't go anywhere only to have people walk out into the street. He noted that it is reasonable to have a statement that he would not have to install the sidewalk for a number of years or a period of time, but just state when the adjacent property is developed and someone will remember it. He noted that the agency had called him and asked him if he wanted to buy the property, but he has five acres behind him and at some point in time he will develop it for offices or something like that and the cost of the sidewalk would be proportional to the overall cost. He noted that it would not be unfair for the Board to grant him this waiver.

Mr. Hawk noted if any Board members want to take another look they can and Mr. Wolfe can put this plan on the agenda for the next meeting.

Presentation by S&A Homes regarding proposed zoning amendments in accordance with its revision of the Montrail subdivision plan

Mr. Ron Lucas of Stevens and Lee, an attorney representing the developer, explained that the property is located along Union Deposit Road near the Central Dauphin East High School.

He noted that the property is shown in red with R-3 zoning above it, Institutional zoning to the left, with R-3 zoning to the south and R-1 to the south and more R-2 to the north. He noted that the land is zoned R-1, but the Comprehensive Plan shows it as Institutional as it was owned by the School District at the time the Comprehensive Plan was developed.

Mr. Lucas noted that Mr. Leatham and Mr. Schoonmaker from S&A Homes were present in October to discuss rezoning the land to R-3. He explained that they felt they had to go to the R-3 zone even though they were not proposing apartments. He explained that he has come back with a new proposal to rezone the area R-2 and propose a text amendment to the zoning ordinance at the same time.

Mr. Lucas noted that the land was purchased in 2004, and in 2007 they obtained approval for 57 single family detached homes but the market they were trying to go to in 2004 and 2006 totally changed in 2007 up to the present. Mr. Hornung questioned what market is that. Mr. Schoonmaker answered that he was looking at the \$300,000 plus market in 2006 and he now he is trying to develop within the first-time homebuyer market. He noted that he looked at it in terms of townhouses and single family, but to do that he needs to have smaller lots and 60-foot wide lots, which is part of the text amendment would not work in the R-2 so he has moved towards the R-3, building townhouses and single family, keeping it in the \$190,000 range for townhouses and \$240,000 for single family homes. He noted that he is trying to package it into a zoning and text amendment that will work.

Mr. Hawk noted that he is looking at the application for amendment to the zoning ordinance noting that the applicant is proposing to rezone the land from R-1 to R-2. Mr. Lucas noted, last October they were looking to rezone to R-3 but because of the concerns, he has revised the proposal to R-2. He noted that there is a lot of R-3 in the neighborhood to the north and on the other side of Union Deposit Road. He noted that the R-2 would be a transition between the R-3 to the north and the institutional to the west and the R-1 to the east.

Mr. Lucas noted that the Board was concerned about the potential density and number of apartments so they came back with the ideas of doing R-2 with a proposed text amendment. He noted that he showed a sketch made by Mr. Staub that would work with the text amendments for R-2 providing a combination of townhouses, most of which are three or four unit buildings, or

single-family detached homes. He noted that he is talking about 124 total units with 44 single-family detached lots and 77 townhouses.

Mr. Lucas noted that he is proposing a text amendment that states for the R-2, if you have sewer and water, and provide a minimum of 30% common open space, then you could have a 60 foot lot width for the single-family detached. He noted that it would help to meet the market S&A Homes is looking to reach. Mr. Seeds questioned what the lot width is now. Mr. Lucas answered that it is 80 feet, and it would be a reduction of 20 feet. He noted that it would be a reduction from a 10,000 square foot lot to a 6,000 square foot lot. Mr. Seeds noted that this would be for all R-2 zones. Mr. Lucas noted that you have to have 30% common open space and a five foot side yard. Mr. Seeds questioned what it is now. Mr. Lucas answered ten foot. He noted that the 30% common open space is shown in light green. He noted that he can meet the 30% open space requirement. Mr. Seeds suggested that it is unbuildable space. Mr. Lucas noted that some of it would be difficult to build on. Mr. Seeds questioned if it would be deeded open space. Mr. Lucas answered yes, and restricted under the ordinance but anyone who wants to do this would have to provide the minimum 30% open space. Mr. Seeds noted that it would be on any kind of land. Mr. Lucas noted that you have to have the land to do it. He noted that you have a requirement for when you have more than 30 townhomes you must have a play area of 50 by 100 feet... Mr. Wolfe noted that Mr. Seeds is questioning if it is any kind of land such as floodplain, wetlands or steep slopes. Mr. Lucas answered that the common open space includes all of that. He noted that is what the definition includes, that it must all be a green area. Mr. Crissman noted that it is all wetland in that area. Mr. Lucas noted that the wetlands are shown in gray. Mr. Crissman noted that it is a huge area.

Mr. Seeds noted that the original plan approved under the R-1 noted that it was suggested to deed the upper land as open space. Mr. Schoonmaker noted for the original plan, the area that we are building in is almost identical in terms of some of the infrastructure to the original plan. He noted that he did not have any houses in that area. Mr. Seeds questioned if it would be deeded that way. Mr. Lucas noted in 2006 and 2007, it was proposed for the Township to take it and the Township did not want it. Mr. Seeds noted that the School District did not want it either. Mr. Crissman noted that the School District was happy to get rid of it.

Mr. Schoonmaker noted with the 60 foot lots he continues to see more of a trend of a five foot setback on the side in place of the ten foot setback. He noted with narrow lots, his focus is to have more land in the back yards as that is where most people would spend their time.

Mr. Crissman questioned how does that play out for the dog leg with the land that is contiguous with Rutherford Road. He noted that there was talk about rezoning that land back in 2006 as well. He noted that it fronts on Rutherford Road. Mr. Blain explained that the land does not front on Rutherford Road. Mr. Lucas noted that the School District property fronts on Rutherford Road. Mr. Blain noted that there is a baseball field that is on that land and it is owned by the School District. Mr. Staub noted when Leisure owned that land it was zoned R-0, research office.

Mr. Seeds questioned if we have any zoning for 30 acres or less that would allow the narrower lots if they provide open space. Mr. Wolfe noted we do not have that currently; however, there are certain bonus provisions based upon thresholds but not for this one. Mr. Hornung questioned if we have an overlay to accommodate this. Mr. Wolfe noted that the Township has a Traditional Neighborhood Development (TND), but this is too small for that. He noted that this is basically a cluster overlay but we don't permit it anymore for new development.

Mr. Crissman questioned what you are planning to do with the long section of land to the north. Mr. Lucas noted that the plan shows a boulevard access into the development from Union Deposit Road, and the School District is agreeable to provide an emergency access point. Mr. Wolfe noted that the area that Mr. Crissman is talking about has no access and there is no proposal for development. Mr. Lucas noted that this plan does not propose to develop that land. Mr. Schoonmaker noted that it is cost prohibitive to get to it to develop the land as there is no public access to it. Mr. Crissman noted that there is an access to Embassy Drive in the upper section near the residential section. Mr. Lucas noted that the land does not go that far. Mr. Crissman noted that the original Leisure property went to the stream as they were planning to put a small bridge in to access Embassy Drive. Mr. Staub noted that you have issues with stream crossings. Mr. Lucas suggested that it was in the days when permitting something like that was much easier. He noted that the property would be land locked with the proposed development. Mr. Lucas noted if the School District would have sold the land out to Rutherford Road, the land

would have been much more valuable, but they would have lost the sports fields. Mr. Leatham stated that someday the School District might want to buy the land back.

Mr. Hawk noted that the last time Mr. Staub was in to talk about this plan, a neighbor lady showed up at the meeting, and he questioned what her chief complaint was. Mr. Leatham noted that she had questions and he held a meeting a week ago at the Municipal Center with the residents. He explained that he received three phone calls and three residents showed up for the meeting. He noted that he showed them the plan that the Board is looking at now and the part that backs up to their homes is exactly the same. He noted that he might have moved one building. Mr. Hawk suggested that the woman was concerned with traffic congestion. Mr. Leatham explained that he engaged Grove Miller Engineering, who did a traffic analysis in conjunction with HRG in terms of making sure they were comfortable with what we were doing. He stated that the results have been sent to HRG. He noted that Mr. Greg Creasy came to the meeting with the residents from Grove Miller and he was able to answer their questions. Mr. Hawk noted that he was glad that Mr. Leatham did that. Mr. Crissman noted that he was surprised that there were so few people. Mr. Leatham noted that he spent one hour and fifteen minutes with the residents noting that it was a good meeting. Mr. Crissman noted that the lady that had the concern lived on the west side of the proposed entrance boulevard on Union Deposit Road.

Mr. Hawk questioned what the price range was for the homes. Mr. Schoonmaker answered that he is starting at \$190,000, noting that he had 20 foot wide townhomes with one garage, but to accommodate parking, they changed it to two car garages to meet the parking requirement. He noted that it would be \$240,000 for the single family homes. He noted that there is no subsidy financing, no Pennsylvania Housing Finance Agency (PHFA) or tax credits and he believes that there is a need for this market. He noted that it is somewhat of a natural product for being near the schools and more people can afford the townhouses over the single family homes. He noted that the townhomes would have at least three bedrooms, noting that he had pictures of the townhomes with an option for a fourth bedroom behind the garage. He noted that most of the homes will have at least three bedrooms with some range homes that the people may only want two bedrooms. Mr. Hawk noted as we get older, people think in terms of a ranch home and not having to do steps. He noted that he saw a letter that referenced the change of economic

conditions and market and that was the reason for changing the zoning. He noted that it is not the Township's responsibility to make a developer profitable. Mr. Lucas noted that it is not just about profits but it concerns what homes are selling and what the people are trying to buy at this time. He explained that the developer is trying to reach the first time new buyers who want to purchase a new home. He agreed with what Mr. Hornung stated that young people today do not want to buy an old home to fix it up, they want to move into a new home. He noted that is the market that they are trying to hit. Mr. Hawk noted that the younger society is much more mobile and they don't want to spend time cutting grass.

Mr. Seeds noted that he was told that the price of a used home is killing the market as people can buy a used home for \$125,000 to \$150,000 whereas the newer homes are closer to \$200,000. Mr. Schoonmaker noted that his company struggles to build energy efficient homes as the owners of older homes end up spending \$300 a month in utility bills and for the same price difference they can purchase a new home. Mr. Seeds noted that the banks are much more careful in how much they will lend now.

Mr. Seeds questioned if the prior approval was for 57 homes and the request is to increase it to 112 homes. Mr. Schoonmaker noted that it is for 120 homes. Mr. Lucas noted that it is 44 single family homes and 77 townhouses. Mr. Seeds questioned if the single family would be two story homes. Mr. Schoonmaker noted that some could be ranch homes. Mr. Wolfe noted that we are not talking about approving a site plan but a text amendment to the zoning ordinance. He noted if you think the concept is a good idea then the text amendment would be a good idea. He noted that it does not mean that you approve the development plan as that is another step.

Mr. Wolfe suggested that the Board would do the text amendment and rezoning in the same step.

Mr. Lucas noted that they discussed using 20 foot lots, noting that the end units would go from 40 feet to 30 foot minimum lot but in this case they are 34 feet wide with a ten foot side yard. He noted that initially they discussed the 20 foot lot with a 12 foot driveway, which is the minimum driveway allowed, but there is a provision in the ordinance that the area between the townhouse and property line has to be no more than a maximum of 50% for driveway and vehicle parking. He noted that there is no problem for the end units, but for the middle units for a three or four unit building, if you have a 12 foot driveway, with 24 foot, you need the 50%. He

noted when they were proposing a one-car garage, needing two off street parking spots per townhouse, it only counted for once car for a one-car garage as the car in the driveway would not count. He explained that he needed to configure another place for parking so he changed the plan to go to a two car garage for each townhouse unit with a 18 foot driveway. He noted that it exceeds the minimum of 12 feet but we run into a problem with the middle units that are 24 feet wide; as we exceed the 50% maximum. He noted that one of the text amendments is to allow the townhouses with the smaller lot in the middle and a 30 foot end unit to go up to 75% of the area between the front of the townhouse and the property line for driveway vehicular parking. He noted that would be for the 18 foot driveway for the 24 foot lot unit. He noted by doing this he can meet the parking requirement for townhouse. He noted if you have a one-car garage, there is no way to meet the requirements without creating a parking lot somewhere. He noted if your townhouses are rentals, you don't have a problem as it is one big parking lot in front of the townhouse, but if you are selling them, and you have lots, the lenders do not want to finance residential condos. He noted that everyone is trying to do fee simple lots when they sell townhouses and other residential units. He noted that you have to figure another way to put the second parking spot in that location and you can't put two in the front without having a really wide lot with the current provision in the zoning ordinance. He noted that it is new with the current zoning ordinance but with these he meets the off-street parking with two car garage unit and two spots for guests in the driveway removing the need for on-street parking. He noted that is what he heard from staff so that is why the townhomes went from \$180,000 to \$190,000.

Mr. Schoonmaker showed a picture of a two-car garage townhome that is 24 foot wide with a driveway and some space between the next unit. He noted that one is stepped due to the topography, and the single family homes have not changed using 60 foot wide lots similar to a project that he is doing in State College. He noted that one example is a ranch home. He noted that for the State College community some are first time buyers and others are empty-nesters.

Mr. Lucas noted that he found a solution for the off-street parking spots, rather than on the street, going to the two-car garages. He noted that you need to have 30% minimum open space and he showed a picture of a single family detached lot with a 6,000 square feet lot and five foot side yards. He noted that they are trying to build smaller houses that fit on lots so people have a back yard.

Mr. Seeds questioned if the total acreage for the plan is 44 acres. Mr. Leatham noted that the lower section is 21 to 22 acres.

Mr. Lucas noted that he shows sidewalks on both sides of the street for both parts, and curbing and sidewalk raises the prices. He noted that a rural home without sidewalks and septic or well systems helps to keep the costs down. He noted that the main changes for the townhomes are the minimum width lots and the 50% requirement. He noted that he is proposing the rezoning from R-1 to R-2 and amendments to the Comprehensive Plan. He noted that townhouse drawing labeled as 18 is what was shown to the neighbors with a buffer along the end. Mr. Schoonmaker noted that the neighbors preferred a more natural buffer.

Mr. Seeds questioned if he did a traffic study. Mr. Schoonmaker answered that he did not do a full blown traffic study, only an analysis. Mr. Lucas noted if it needs to be done it would be done as part of the land development process. Mr. Seeds questioned if there would be a need for a traffic signal. Mr. Lucas noted that he wanted Mr. Creasy from Gove Miller to go to the Planning Commission and the public hearing on the Zoning Amendment to answer any questions for if this plan would necessitate anything other than a stop sign at Union Deposit Road or cause any additional problems from the 57 single-family detached home plan. He noted that Mr. Creasy's conclusion was that it would not have a significant impact on the intersection as it would not generate enough trips to cause a problem on Union Deposit Road.

Mr. Hornung questioned at what point does a single egress from a development cause an issue. He noted that it only has one entrance and at some point it would create traffic problems since there is only one entrance. Mr. Staub answered that he did not know what the threshold is; however, when Mr. Creasy did the new trip distribution with the 120 units, the intersection does not fail. Mr. Schoonmaker noted that it is a boulevard entrance so if one side is blocked; you have the other side for access. He noted that he made sure he had an additional emergency entrance if needed, providing a system to activate the gate.

Mr. Hornung noted that the intersection is a level C. Mr. Staub noted that the intersection will not fail. Mr. Hornung questioned if there is room for a left turn in the boulevard. Mr. Staub suggested that each lane is 16 feet wide. He suggested that a car could maneuver toward the center to make a left turn on Union Deposit Road to go east and another car could turn right, although it is not designed to work that way. Mr. Hawk noted that most people would turn right

Mr. Schoonmaker noted when he met with the residents, they questioned if a light would be needed and Mr. Creasy explained that it did not meet the PENNDOT requirement. He noted that townhomes do different trip numbers than single family homes and this information was provided to him. Mr. Hornung noted that he would want a wider lane for the traffic exiting the development. Mr. Staub suggested that he is limited since it is only 100 feet wide. Mr. Wolfe noted that it is a valid discussion for the land development issue and they should be aware that getting people in and out with only one egress should be sufficient when they come back. Mr. Hornung noted that the number of entrances could be based upon the density requirement or signalization or two turning lanes to exit the development. He noted that it only takes one person making a left turn to hold up the traffic. Mr. Schoonmaker noted that it was very minor in terms of the number of cars, noting that it added one additional car every two minutes to the intersection. Mr. Hornung noted that he is more concerned with people getting out of the development than with Union Deposit Road. Mr. Lucas noted that the overall intersection is graded as an "A" for Union Deposit Road but the site driveway remains a "C" since it would be a stop sign.

Mr. Hawk questioned Mr. Staub how it can measure that when there is no traffic. Mr. Schoonmaker answered that Grove Miller did counts in terms of what is out there and then they put it into a PENNDOT calculation. He noted that they did the counts when the students were back in school in January.

Mr. Lucas noted that a tract study was done when the plan was approved in 2007 and Mr. Greasy added the number of trips that would be generated from the townhomes. He noted that he submitted the information to Ms. Moran and Mr. Fleming and he has not heard if they reviewed it. He suggested that they were satisfied at this point for the estimate. He noted that the advantage is to adapt access for the boulevard entrance and they will also have the emergency access through the School District property.

Mr. Lucas noted that the Comprehensive Plan Amendment is necessary since the property is shown as institutional as it was owned by the School District. He noted that he is proposing to amend the land from Institutional to R-2, low medium density. He noted that it is consistent with the Dauphin County Comprehensive Plan that shows the area as residential. He

noted that the R-2 would fit into the low medium density and the high density that is R-3. He noted that Dauphin County lists the land as residential.

Mr. Lucas noted that he would like to proceed with the proposed amendment change and go to the Planning Commission to have a public hearing. He noted that he is present to determine if the Board thinks that this is way off base or if this is an improvement from the October meeting that the Board could consider. He noted, in October, Mr. Schoonmaker was talking about changing to R-3 for the size of the lots but they wanted the townhouses and single family with smaller lots. He noted that he is achieving it by having the R-2 but requesting some adjustments to the lot sizes if they provide the common open space.

Mr. Seeds questioned if it would be more units, rather than smaller setbacks. He questioned if it would be the same units that are permitted in R-2, the 120 units. Mr. Lucas answered yes, but in this case, he would get a smaller lot and side yards and different tweaks that he is proposing. He noted that he must also deal with the driveway issue for parking. He noted that he did not want to get a rezoning to go to the Zoning Hearing Board. Mr. Seeds questioned what the zoning for the R-3 was. Mr. Schoonmaker answered, if you used the area behind the school, they would have over 200 units; he noted that he did not remember the exact number.

Mr. Wolfe questioned if Mr. Lucas got the direction he was looking for.

Mr. Seeds noted that he wanted to know what the total number was allowed for that tract. Mr. Schoonmaker noted under the R-3 it was over 200 units. Mr. Staub suggested that it was 160 units last October. Mr. Lucas noted that it was at least 140 units. Mr. Seeds noted that more and more developers are coming back to the Board claiming that market climate has made it difficult for them to build the plans. Mr. Schoonmaker noted that he is being told that the market is there for lower priced new homes. Mr. Leatham suggested that he only had a sketch plan in October and did not speak to a specific number. Mr. Seeds noted that development has an effect on schools and highways and other things.

Mr. Hawk noted that he is happy that the developer seemed to satisfy the residents along Union Deposit Road as there is no major issue there. He noted that he has a concern regarding density and the egress and ingress noting that it is doable if needed. He noted that a "C" classification is not bad. Mr. Seeds noted that this would be handled in the land development plan phase. Mr. Lucas explained, to install a turning lane, certain warrants must be met as per

PENNDOT requirements. He noted that PENNDOT might not approve it since there is a stop sign and it is not a signalized intersection. Mr. Wolfe noted that the subdivision plan approval would be conditioned upon a Highway Occupancy Permit from PENNDOT in accordance with driveway standards set by PENNDOT. Mr. Lucas noted that we have that permit. Mr. Wolfe suggested that the Township would make the developer go back to review the permit with the different plan. Mr. Lucas suggested that he would not have to do that. Mr. Wolfe noted that you are increasing the density from what was approved previously. Mr. Seeds noted that you are more than doubling the density from the approved plan. Mr. Lucas noted that sometimes PENNDOT will not approve a left or right turn lane at a stop sign because if someone pulls out further the other person can't see. He noted that Mr. Staub and Mr. Creasy would have to look at that with HRG.

Mr. Crissman noted that he appreciates the fact that the developer addressed the parking lot issue as opposed to having two car garages for all units.

Mr. Hornung noted that the Board made a decision to go away from cluster zoning, but he can't remember why. Mr. Wolfe answered that you didn't go away from it, you tried to repackage it. Mr. Wolfe noted that you used an overlay and this is another rendition of repackaging. He noted that the Board never went away from the cluster; it was just the fact that the term cluster had a bad connotation for the community; therefore the Board went about it in a different way. Mr. Hornung noted that the density bonus is not enough for them. Mr. Wolfe noted that density bonuses are provided in a TND and he noted that he would have to research that. Mr. Hornung noted that Triple Crown Corporation had difficulty with this. Mr. Wolfe noted that they went about it through a zoning variance but we are past the point of a text amendment for a density bonus. Mr. Hawk noted that they wanted to go from 449 units to 496 units. Mr. Wolfe noted that is the problem when you ask for a variance that may not be defensible.

Mr. Hornung noted that his recollection of the density bonus is that it is probably way too little and he remembers the discussion with the consultant and he felt that it is an impractical form of zoning. Mr. Wolfe suggested that is not the problem with this plan as they have enough overall land, the density is not the issue; it becomes the lot size and the associated setbacks. He noted to get to their price range; they want to build less infrastructure going from a 20,000 square

foot lot to a 6,000 square foot lot. He noted that you have issues with the ordinance in regard to parking, setbacks and those types of things.

Mr. Hornung noted that he is not sure he wants to go to that high a density with one entranceway. He questioned if there were other ordinances that would moderate that. Mr. Wolfe noted that there are none that he is aware of. Mr. Lucas noted that the difficulty is the size of the tract. Mr. Blain noted that half the tract is not usable. Mr. Hornung noted that we use to have the underlying requirement to do a Yield Plan and it does not help them here.

Mr. Seeds noted that he has some of the same concerns. Mr. Leatham noted that we did not have the emergency entrance but now we have it on this plan. He noted that he will have to satisfy HRG's comments. Mr. Seeds noted that he is willing to have the Planning Commission review the request, but he is not saying that he will buy into it.

Mr. Crissman questioned if the configuration changed from the last time to impact access for emergency vehicles and school buses. Mr. Schoonmaker noted that the only thing that he has readjusted was adding the emergency access. Mr. Lucas noted that they did not have a real sketch to present before this meeting, only the concept. He noted since the last meeting, discussions have been held with the School District and they have gotten an easement for emergency access. Mr. Crissman questioned if the agreement is only verbal. Mr. Lucas answered that it is verbal at this time. Mr. Crissman noted that he would want to see it in writing. Mr. Leatham noted that he met with Mr. Gill Tunney at the School District, who is the Director of Operations and he is working with him.

Mr. Blain noted if the neighbors on Union Deposit Road are happy he is okay with the R-2 zoning and potential text amendments but it needs to go to the Planning Commission for them to hash it out first. Mr. Crissman noted that the buffer zone is a positive piece and that is why they may not have had any opposition from the neighbors.

Mr. Hawk noted that they should move forward to pursue the concept.

Review of a Request for Proposal for a financial management system that has been issued by the Township

Mr. Wolfe noted that staff and the Audit Committee have been working together and have issued a Request for Proposal (RFP) in accordance with Township's need to obtain new financial management software. He noted that the 18-page RFP is attached to the Board packet

for review. He noted that it has been sent out to three or four providers who were previously interviewed. He noted that responses to the RFP are due April 1, 2013 at which time the responses will be reviewed, prioritized and then interviews will be scheduled with desired responders. He noted that funds were borrowed from the last bond issue to undertake the project, and he hopes to be able to provide a report to the Board sometime after April 1st for what the next step will be.

Mr. Crissman questioned if the Township has sufficient funds to do this. Mr. Wolfe answered that it will know once it reviews the proposals. He noted that it may be a sufficient fund issue for how much we spend at this time. He noted that we may have to find more funds or decide that the most expensive proposals are not practical.

“Otta Know” Presentation: Presentation:
2013 public bid threshold for municipal procurement

Mr. Wolfe noted that the municipal bid limits have increased from \$18,500 to \$18,900 for 2013. He noted that now they are indexed and the procurement policy likewise is indexed. He noted that he does not feel that any action needs to be taken but he wanted to make the Board aware of the additional \$400 increase.

Improvement Guarantee

Mr. Hawk noted that there were two improvement guarantees.

FMC DS Harrisburg

A new bond with Cincinnati Insurance Company, in the amount of \$27,134.80, with an expiration date of February 12, 2014.

990 Briarsdale Road

A release of a letter of credit with Fulton Bank, in the amount of \$19,844.00.

Mr. Crissman made a motion to approve the two improvement guarantees. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Adjournment

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Crissman seconded that motion and the meeting adjourned at 8:26 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

Gary A. Crissman
Township Secretary