

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Workshop Meeting held January 15, 2013

A workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6 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; Mike Bova, Boenning and Scattergood (by phone conference); Mike Smith and Priscilla St. Jacques Glusko, Greenway Committee; Bruce Senft and Sandra Prah, Friendship Center Operation Board; Stan Smith, Parks and Recreation Board and Arts Council; and Bob McIntyre, Parks and Recreation Board; Lori Wissler; Brian Luetchford, Parks and Recreation Director; Christine Hunter, H. E. Black and Heroes Grove Committee; Sam Robbins; Public Works Director; Matt Miller, Field Engineer, Public Works Department; and Watson Fisher and Ted Robertson, SWAN.

Pledge of Allegiance

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

Public Comment

No public comment was presented.

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 refunding of the certain bonds could provide the potential for \$1.5 million in savings. He explained that the Board would listen to what information would be provided to them by Mr. Wenger, Mr. Smida and Mr. Bova.

Mr. Bova noted that he and his associate, Nick Falgione reviewed the numbers and schedules that Mr. Wenger provided to him; however Mr. Falgione had to leave prior to

responding to the information due to a family emergency. He suggested that the savings would be between \$1.3 and \$1.5 million by refunding the outstanding debt of the 2006 issue. He noted that there may be a desire to do some kind of debt relief for the Friendship Center (FC) bonds which are also part of the GEO debt and the structure that he reviewed today from Mr. Wenger's firm. He explained that it appears that they are providing that relief by doing a small taxable bond and providing \$100,000 or so debt service relief for that portion of the debt which is the General Obligation Debt (GOD) but separated one step further. He noted that it would provide relief for the FC debt. He suggested, instead of issuing taxable bonds for that piece, since it is a GOD, the same pair of pants but a different pocket, he could avoid issuing taxable debt which doesn't cost that much and reapportion the savings that are so substantial and by accounting means getting the debt service reduced for the FC.

Mr. Bova informed Mr. Smida that the 2006 bonds were bank qualified and he would want Mr. Smida's firm to provide the opinion that he could use to carve out the refunding of bonds from the 2006 issue to keep the 2013 issue bank qualified in the event the Township would want to add additional new money which has also been talked about. He noted that bank qualified rates are lower than non-bank qualified bonds; however that rate is not much higher and the rates don't get higher until 2018 or 2019 and this is a short-term loan to begin with. He suggested that we could save anywhere between five and 10 basis points on the longer maturities if new money is to be added, if Mr. Smida could state that the 2006 bonds are bank qualified. Mr. Smida noted that there is an issue with respect to what the Township has allocated; he noted that the FC debt goes back to 1996, and has been refunded a couple different times, portions there of in 1999 is now the debt that is now in play as it was redeemed on an advance refunding basis, all of the 1996 debt, which was really still outstanding. He noted, there is a question if we can adjust the allocation as he understands it, and this will take further deliberation. He noted that it is not a simple yes or no. He noted that the regulations are murky at best at what you can do; however there are restrictions on multi-generational refunding reallocations.

Mr. Bova requested Mr. Smida to look at it for the 2006 issue, not the FC debt. Mr. Smida explained the 2006 it is a different issue from the FC debt.

Mr. Bova noted that Mr. Wenger has proposed a time schedule which can be met, noting that the only issue he would raise that needs to be resolved is that he already started to prepare

the Preliminary Official Statement (POS) using the Official Statement (OS) that he used last year. He noted that he sent a data sheet to Tim Houck to complete so there will have to be a determination made if he should continue to complete the POS and OS or if Mr. Wenger will finish that task. Mr. Wenger noted that his draft is nearly final as he is just waiting for some details from Mr. Wolfe. Mr. Bova noted that he and Mr. Wenger could speak to that tomorrow.

Mr. Bova noted that it is a straight-forward low high refunding with substantial savings and Mr. Falgione had mentioned today that the savings are so substantial that we may have to provide a recommendation for how to juggle them around in order to remain qualified with the Department of Community and Economic Development (DCED). Mr. Wenger noted that he was going to take up that issue with Mr. Smida after the meeting.

Mr. Hawk questioned Mr. Bova when he would do the refunding. Mr. Bova answered that the preliminary schedule shows the pricing on February 19, depending on the rating agency. He noted that the market is very active at this time and a lot of deals are being done and the rating agencies are taking between ten to fourteen days to get a rating out. He noted that the timetable shows submitting everything to the rating agency by February 4th and if they submit everything on that date he could be ready to do a bond purchase on February 19th.

Mr. Hawk questioned if there is a time crunch due to interest rates. Mr. Bova answered that although there are many deals in the marketplace, this is a short loan, in that it only goes out to 2022 as the final maturity. He noted that the rates may bump up a little bit but we should be in very good shape for the month of February. He noted that the Township has an outstanding credit that helps because there won't be many Aa2 deals in the market at the same time. He noted that Mr. Wenger is doing this without insurance. Mr. Wenger answered that would be his assumption unless there was a compelling reason not to. Mr. Bova answered that the last couple of issues were done without insurance after the upgrade so he did not think there would be any reason to pile insurance on top.

Mr. Wenger noted that the bonds are callable on April 1, 2013; therefore, in theory, every day after that date would cost the Township money at a higher rate. He noted that it is his goal to close March 15th and April 1st. Mr. Hawk noted that we have time on our side. Mr. Wenger agreed but he needs to keep the process moving as it will take a couple weeks to get the rating, so if the bond sale is suggested for February 19th, we need to keep moving at a good pace. Mr.

Hawk questioned if it would be a negotiated funding. Mr. Wenger answered that you appointed Boenning and Scattergood as your Underwriter.

Mr. Wenger noted that the issue to be determined at this point is not just the refunding but how to deal with the FC debt and the capital plan on the utility side. He questioned when those projects would be online, and if you are going to borrow money you should ask the question should we be adding money for items that we have plans for but will not spend in the next 12 months since there is no urgency.

Mr. Hawk questioned what the new project would total. Mr. Wolfe answered that it would be \$1,014,300 for new projects for a three year spend for the FC, with a definite need to replace the pool pac unit at \$610,000 and a potential to expand the fitness center into the social hall and a small software need that has not been budgeted yet. He noted for stormwater projects, Mr. Robbins has provided a detail list and project specific estimates of costs, for projects from 2014 to 2018 with an estimate of \$3.2 million. He noted that staff has provided a list of items; however, we are looking at feedback from the Board to determine what you want to do at this point for a cost estimate.

Mr. Hawk noted that you would be looking at \$4.2 million. Mr. Wolfe noted that you could pare it down depending on what you want to do.

Mr. Seeds noted if we refund the 2006 bonds, the savings could be used to help with the FC debt. Mr. Wolfe noted the discussion revolves around using General Fund money to provide for the debt service need of the FC to have the FC pay that back over time. He noted that it would be an inter-fund loan. Mr. Seeds questioned how much it would amount to. Mr. Wolfe noted at this time, the budget debt service has been reduced by \$100,000, so for 2013, it would require a \$100,000 inter-fund loan. Mr. Wenger noted that a large percentage of the 2006 bond issue is allocated to Authority projects, so you are moving money around to allocate funds to the FC budget and debt if that is what you want to do. He noted that he has provided a straight-forward allocation with savings from Authority and GEO projects. He noted if you look at page two, the page with the six blocks, the bottom half of the page, it lists the aggregate interest rate savings based on today's rates. He noted that the two boxes to the right of that in the light blue show the Authority allocation with the Township portion on the right side. He noted that most of the savings are allocated to the Authority debt, so if the plan is to have \$100,000 of debt service

relief flow to the FC debt you are taking it from Authority projects. He noted in the end it all counts as your money so there is some fundability to it, but in a pure accounting sense, this is how the savings gets allocated. Mr. Wolfe noted that you could do it as a loan from the General Fund balance and satisfy it that way. He noted that it is small number in the overall picture, but if you want new money, you must decide how much you want. Mr. Seeds questioned if the refunding showed new money and if it would extend the debt. Mr. Wolfe answered that the refunding would not extent the debt. Mr. Wenger noted that the refunding would match the current debt but if you do the funding on the FC debt that would be a slight extension of that debt. He noted if you borrow from the General Fund to subsidize the FC debt you are not extending debt in that sense. He noted that he has provided the refunding analysis without new money as he has not been provided with a number for that yet.

Mr. Seeds noted that this would help the FC in 2013. Mr. Wolfe answered that it would not. Mr. Seeds noted if the Township loaned the FC the money it would. Mr. Wolfe noted if the Township loaned the FC the money, yes it would, but if the Township does that it is not part of this discussion. Mr. Blain noted that the discussion is do we want to borrow additional cash since the interest rates are the lowest they have ever been, and they may go lower. He noted that the Township could borrow at very cheap rate. He noted that he looks at the idea of borrowing additional money for funding infrastructure improvements such as stormwater management as similar to if you refinanced your house and you took money out of equity and put it back into your home for new floors, or something like that, investing back into your home. He noted that it would increase the equity value. He noted that we need additional funds for some of these stormwater management programs, and this is an opportunity to borrow very cheaply, take the money and invest it back into the ground to upgrade the storm sewer system. He noted if we borrow it we would borrow it through the General Fund and if we needed to put money into the FC, we could do an inter-loan between the General Fund and the FC. Mr. Wolfe noted that he would suggest doing it by resolution so that you don't lose track of it. Mr. Blain noted he would prefer to do it that way because he is not sure what he wants to do at the FC until he sits down with Mr. Wenger and Mr. Luetchford to do a more detailed analysis from a cost center perspective as to what is happening in each cost center, before he would give approval to spend money on anything at the FC. He noted that we could borrow money at a great rate as we have

projects that need to be done and we could have Mr. Wenger determine how much annual debt service it would be. He suggested that over a 20-year period, it should be small. He suggested that it might be \$75,000 on a million dollars. He noted that Mr. Robbins indicated that he needs \$3.2 million. Mr. Wenger noted that the \$1 million was for the FC projects, and the \$3.2 is for the public works projects. He noted that Mr. Blain wants to take a very careful look at what and how you spend for the FC.

Mr. Hornung suggested that there are two approaches to this, the first would be to do it from a micro level, looking at the projects and building it up to the number that we need or you could take it from the overall business aspect for what we can afford. He noted if you go from the top down, using the business model, if you borrowed \$900,000 for the FC, and if the debt service at this time is \$10,000 a month, we could keep it the same and extend it out, and that would give us the ability to borrow another \$900,000, questioning what we do with that money. He noted that he has a lot of wants and desires for his business, but the bottom line is that he knows what his borrowing capacity and what I can reasonably pay back. He noted that he can also look at it from the bottom up to determine what he could do with \$900,000. He noted that both ways work, but one works where coming down is the limit and the other for going up with the overall bottom line for what your limit is. He noted that the wish list can get really big, and if there is no cap on it then it gets bigger than it needs to be, noting that there are good and bad points for both ways.

Mr. Blain noted that he is not advocating either way, he is just trying to talk to the logic of if you want to borrow money to do projects, now is the time to do it as the Township can get the money. He noted if you want to look at it from a macro level that the borrowing capacity is only another \$2 million that is cool. Mr. Hornung questioned what the borrowing capacity of the Township is. Mr. Blain answered that they would have to run the numbers to determine the additional debt service with the additional \$5 million to see what it would be and throw it against the budget.

Mr. Wenger noted that the Township's borrowing capacity is a number a lot larger than your wish list.

Mr. Hornung questioned, if the FC was its own entity, noting that it receives rental income from the Township for \$100,000, what the borrowing capacity would be. Mr. Wenger

answered that you are basically at it now, based on your current projects. He noted that the pool pac is a necessary item, and possibly you could squeeze another year out of the system and not spend it today, but in order to keep the pool operating, do we have to spend the money. He suggested that this is more of a needed item than a wanted item.

Mr. Blain noted that it was recommended to borrow the money through the Township's GF and inter-loan the money... Mr. Wolfe suggested that there is a mix up for when he stated that it was only for the \$100,000 for debt service. He noted that he would not recommend that for a capital item that needs replacement. Mr. Blain noted that the FC is at its limit, he noted that you have to look at the operations that don't make money. He noted if you went to a bank and asked to borrow money for operations but can't show the cash flow to pay it back because it is not making money, they would not lend you that money. He noted that the FC is at its borrowing capacity at this point, so if they were on a stand alone, they could not do it. Mr. Hornung questioned if the present position is that they are making \$100,000 per year, could they extend their debt out to \$100,000. He questioned if it would be amenable. Mr. Blain noted that they would want to see the cash flow to get their money back and they want to be able to collect the interest on it; therefore, if you could extend the loan out and prove the cash flow that you can service the debt, they may approve it depending on what their internal policies are. He noted that depending on what we do with the FC, we would have to extend out the debt to reduce the debt service to make it more operational.

Mr. Hornung questioned how many years we have paid on the debt service. Mr. Wenger answered that it goes out to 2025. Mr. Wolfe suggested it is about half or 12 years. Mr. Hornung questioned if we extended it out for another ten years, how much it would provide for the FC now. Mr. Wenger noted that the debt cannot be called, so it is affixed payment schedule that had some flexibility in the early years, that he presented, but there is not much he can do to extend the debt. He noted that it would be better to borrow new money and put the principal payment beyond where the current debt is already being paid. He noted that is your extension flexibility. Mr. Hornung noted if we extended it out for another ten years, what would it mean. Mr. Wenger answered, for \$1 million borrowing at 3%, your oldest paying interest between now and the time you start paying principal would be \$30,000. Mr. Hornung noted that we would have to use the money now and we could not increase the debt service as they are barely making it now. He

noted that they would have to use the principal to make the debt service for that time period. Mr. Wenger noted that the option is the scoop that he presented which gives you some relief or the Township could subsidize the FC debt out of the GF. Mr. Hornung noted regardless, we would have to pay the interest for the next ten years until the one debt service goes away, and then the FC can start paying on the loan. He noted for ten years it would be \$300,000 interest extended out so what they would get out of the \$1 million is \$700,000. Mr. Wenger noted even if you amortized starting day one, you are still paying interest of \$30,000 in the first year and it may go down a little bit, so it is not \$300,000 compared to zero, it would \$300,000 as compared to \$200,000. He noted that the difference would not be \$300,000; it would be \$100,000 to \$150,000. Mr. Hornung noted if the FC doesn't pay anything on their principal until this loan is finished, this loan is not finished for another 12 years. Mr. Wenger answered yes, noting that it is \$300,000 of interest at 3% rate. Mr. Hornung noted that they will have to use the principal that they are borrowing on to pay back, as they can't afford to pay anymore on the debt service than they are paying now. Mr. Hornung noted after they get to that point then they can start paying on the principal.

Mr. Hawk questioned if \$1 million is reasonable to borrow. Mr. Wenger noted that it comes down to if you don't borrow the money for the pool operations in 2013 and 2014 and then the question becomes can you afford not to borrow the money if you have to fix the pool. Mr. Blain noted that it is a timing issue of going through the bond refinancing and the opportunity to throw additional money on, do you want to do it. He noted that he is okay with borrowing additional money to invest in the storm sewer project, as we know that it is a necessary need. He noted that he is not sure about the FC at this time until he sees the numbers for profitability centers, he does not know if he wants to do that yet. He noted that much of the money is related to the pool and what happens if we do a study and determine that the pool is not profitable, why would we invest more money into it unless we had other plans.

Mr. Hornung noted without the pool, the FC will sink. He noted that we did not originally plan on putting in a pool and in talking to Mr. Luetchford it was determined that without the pool it will sink. Mr. Blain questioned how you know that without knowing how much it costs to run the pool area. Mr. Hornung noted that you can look at my business, as he has three entities in one, and if he pulled out the repair business, it makes no profit but it brings

in a ton of people to the store. He noted that you can't always take a section out because it does not make a profit because there is no fitness center that has ever made money without a pool. He suggested without the pool, we would be dead in the water, unless we were to shrink it down and do something else. He noted that he does not mind doing a study for how much revenue it brings in, but his question is the timing for how fast we can get the money. He noted that Mr. Blain's decision is whether we get rid of the center or maintain it. He noted if you haven't made that decision yet, then what you are telling me makes sense. Mr. Blain noted that you are talking about \$1 million going into capital improvements; don't you want to make sure you will get a return on the investment. He noted that he is not sure of that yet, because we have not shown a strong history of operating performance in regards to profitability in that entity. He noted that Mr. Hornung might have answered his own question if that is what was said in the late 1990's when it was built, as the pool has to be there, then the pool needs to be re-plastered and the pool pac needs to be built. He noted that it needs to get done in the next year or two in order to get done.

Mr. Hawk noted if Mr. Hornung is correct then the FC would only be profitable with the addition of the pool. Mr. Hornung noted that he did not say that is the only reason for profitability, but without the pool it would not be profitable. Mr. Hawk noted that you need \$610,000 to borrow. Mr. Luetchford noted that the pool pacs would be \$305,000 a piece. Mr. Hawk noted that Mr. Blain wants better information on numbers, but we need to take a look at the pool pac and the \$610,000; therefore, if we combine that with stormwater needs... Mr. Blain noted the problem is can the FC support the additional debt.

Mr. Hornung noted if the Township just provides the FC with the money, you have to pay \$300,000 in interest on the loans just to have the money unless we do something differently but he questioned how quickly we can come to a resolution on this. He noted that Mr. Luetchford stated that the pool pac will not last for many more years. Mr. Luetchford noted if it fails catastrophically, there will be no pool operation. Mr. Wenger noted that it is not a question if we need the pool, but the fee structure would have to change dramatically if the pool space was vacated or you could refurbish that space and convert it to something else. He noted that the renovation would cost a lot more than the pool pacs. He noted that the best decision is how to get out of the predicament that we are in, noting that you would normally say that you don't want

to borrow more money since you can't pay it back, but this may be the decision to determine if it stays open. He noted if the pool doesn't stay open, the membership roster will shrink and the fee structure would have to change as you would be competing with Gold's, LA Fitness, and Planet Fitness at \$10 to \$20 per month memberships. Mr. Hawk noted that we have to make a decision for how much to borrow.

Mr. Seeds questioned Mr. Luetchford if that was the normal lifespan for the pool pacs. Mr. Luetchford answered, for the experience that we had over the past 13 years... Mr. Seeds questioned if they have an average life. Mr. Luetchford noted that due to the heavy use it might be shorter that it might have been if it was used lightly.

Mr. Seeds questioned how much money is budgeted a year for debt service. Mr. Luetchford answered \$380,000. Mr. Hawk noted that is until 2017 at which time it drops. Mr. Seeds noted if you didn't have the debt you could be putting money aside to take care of those items. Mr. Hawk noted that it drops to \$350,000 after 2017. Mr. Wolfe noted that it goes to \$70,000. Mr. Hawk noted that borrowing is not the issue. Mr. Wenger noted that he wants to separate the legal from the business. Mr. Hawk noted that we can borrow money. Mr. Wenger answered yes. Mr. Hawk noted that the question becomes how much money do we want and how to pay it back. He noted that it is very important to determine how to pay it back.

Mr. Wenger noted that the FC has a list of projects totaling over \$1 million and the total debt outstanding is about \$2.9 million, and if you increase the debt by 50%, you are not adding floor space or services, only deferring maintenance or anything that would significantly alter the program structure other than to keep the pool open. Mr. Seeds noted if we don't have the pool open we are dead in the water and out of business. Mr. Wenger noted that the fee structure will have to change. Mr. Hawk noted that you will lose membership also. He questioned Mr. Wenger if it could be extended out a couple of years to level the debt. Mr. Wenger noted that we will have to look at putting some of the principal on the back end to make it a more reasonable debt service structure for the next five to seven years. He noted that you are in the lion's share of the debt and having a significant operating budget challenge. Mr. Hornung noted if it was a callable bond it would be much easier.

Mr. Hawk noted that we all look at the ability to pay back debt, but how quickly could we acquire that knowledge. Mr. Blain explained that he is going to meet with Mr. Wenger to figure

it out. Mr. Hawk questioned if it could be done within the next two weeks. Mr. Wenger answered that he would include Mr. Luetchford in the talks as well. Mr. Wenger noted that there are not that many facets to the FC, and most of the expense would be allocated to the pool. Mr. Blain noted that we have to determine the cost structures for some of the areas and what the five year forecast is for the FC for revenues and expenses. Mr. Hornung noted that he would like to add what we can do differently to try to make it work. He noted that it is not mismanaged as Mr. Luetchford is doing a great job. He noted that Mr. Luetchford and Mr. Wolfe have also thrown some ideas into the pot. He noted that there may be investments that will help pay the debt back for more than what we are taking about as debt service. Mr. Blain noted that he looks at it as a reinvestment back into the infrastructure as we own it and we will invest back into it, and make sure we get a return on the investment that we are putting into it. He noted that it is important to understand the cost structure and how the FC works in more detail because there could be other things we need to change in how we operate. He noted that Mr. Luetchford and Mr. Wolfe mentioned expanding the fitness center into the lobby area to make it bigger, but before we do that we need to know what the return will be. Mr. Wenger noted that an option is to build itself out of its current budget constraints, borrowing money to provide programs that have more space. He noted that it takes on a different risk profile for the Board but it needs to be looked at in the process to determine what needs to be done. He noted that the pool puts you outside the goals of the Planet Fitness and LA Fitness places and you are competing with the Derry Township Aquatics Center but you don't have the indoor field facility that some of the large places have, so for a fee structure, you are stuck in the middle from those who offer more and services from 7 a.m. to 11 p.m. to the scaled back services at a modest fee.

Mr. Hornung noted that the goal was not to compete and that is why we stayed away from those models, trying to provide a community service and that has always been the Board's goal. He noted that we have Koons and Kohl Park and it costs money to operate them every year, and we get very little income from them with a net loss. He questioned what is the difference between the outside parks and the FC. He noted that one requires a membership whereas the other ones do not. He noted to make it viable it had to be a membership basis and not a walk-in basis. He noted that it is still providing a service to the community and that is part

of the goal of that. He noted that he doesn't want the Board to forget that. He noted that the goal was never to compete with other facilities.

Mr. Hawk noted what would happen if we say we need \$2 million of new money, \$600,000 for the FC and the rest for storm sewer. He noted that the analysis with Mr. Wenger could help to provide input for this. Mr. Wenger questioned if you want to invest in the necessary items or defer maintenance. He noted that you will have to make a decision if you are going to offer a service to the community and at what cost. Mr. Hawk noted that we need to make a decision.

Mr. Wolfe noted if you are looking at that approach, borrowing \$2 million with \$1 million for storm sewer and \$600,000 for a pool pac, noting that the list of storm sewer projects totals \$3.2 million. He noted that you would only be taking a small bit out of that list. Mr. Hornung questioned why we are not going for the \$3 million. Mr. Hawk noted that we could do that. Mr. Wolfe noted that we know what we need for the FC but we still need to determine how much to spend for the storm sewer projects.

Mr. Bova noted that although the rates are very low we still have requirements for the spend down that you have to commit or spend 5% of the proceeds within six months, and the remaining 85% within three years to move forward with due diligence on the project. He noted if you put off borrowing to the future, you will occur additional costs for issuance for each debt nine or 18 months from now. Mr. Wolfe noted that staff's estimates on spend are for a three-year period. Mr. Bova noted that you should be fine then. Mr. Robbins suggested that we could get one third of the list done by the end of 2014. He noted that many of the projects could be done earlier, however the mini-basin work has to follow the sanitary sewer schedule as it makes no sense to come back after they are done with their job to tear up the roads a second time. Mr. Wolfe noted that two large items are slated to coincide with mini-basin work scheduled for 2015. Mr. Robbins noted that there is mini-basin work that will be coming up will be significant in terms of stormwater expenditures. He noted that Clermont, Winfield, Care and Coventry, are all mini-basins that are charted to be worked in the next two years. Mr. Hawk questioned if they are included in the list. Mr. Wolfe noted that they are on the list. Mr. Hawk noted that someone asked him how long will we will work on storm sewer work. Mr. Robbins answered for the rest of his career.

Mr. Wenger noted that he has submitted information for the rating agencies so in the next three weeks, we can come up with a scope of projects for the storm water side and then if we go to the rating agency with that number, we could always downsize and they will not penalize you for that. He noted that a difference of a couple million dollars will not change the final rating, so we have a couple of weeks to come up with a better resolution to the issues.

Mr. Seeds noted that we are refinancing the \$9.8 million but it is a matter of if we borrow money. He noted if we did the borrowing, separate from the refinancing, then it would double the fees. Mr. Wenger noted that it would not double all the fees as the underwriter fee is a function of how much money you borrow, so you could split that into multiple financing, but there are fixed fees like the rating fee, the financial advisor fee, Township counsel and Bond Counsel fees that don't change much from a \$10 million to \$14 million issue. He noted if you break it into two, you won't replicate gross fees. Mr. Seeds noted that it would be less costly to do it one time then. Mr. Wenger noted that anything under the \$10 million is bank qualified. Mr. Smida noted anything over the \$10 million is not bank qualified and it would be an additional borrowing cost. Mr. Smida noted, what is going on in Washington could have an impact on this as well as they are talking about the pricing and risk premium for tax exemption, however, more likely it will be limited and capped at a 28% benefit for the highest tax brackets. He suggested that rates will notch up a little bit.

Mr. Hawk questioned if Clermont Road is a major project. Mr. Robbins answered that it is estimated at \$1.5 million. He noted that it is allocated for the current process where we only work on items in the street in the legal right-of-way. He noted if we go outside that area and connect pipes from one street, Blanchester or Kingston, and we connect the new facilities with new pipes the number will change significantly. He noted that we are doing televising work this year that could change our needs well into the future. He noted that we need to clean some pipes to find out the condition of them much like the Authority did. He noted that there is no need to do televising for the Winfield project as HRG completed the study. He noted that the mini-basin work will be done in two years and we need the funding to do the stormwater work at that time. He explained that it is vital that we have funding in place when the Authority is working at such an aggressive schedule, as we need to keep up with their work have the funding in place to do those projects that are moving through construction phase. He noted that we might not need a

large sum of funding for some of the basins, but the ones that are coming up are figures that we have estimates for.

Mr. Hawk suggested that the figure is escalating to \$8 million. Mr. Wolfe noted that staff has provided one chart with \$3.2 million. He noted that this is the same list that we have worked on for the past six months, and of those for 2012, we funded one through 14 and are now looking at 15 through 33. Mr. Wenger noted if you borrowed the \$3.2 million how much would you spend in the next 12 months. Mr. Wolfe suggested very little as it is already budgeted at a \$1 million. He noted that those projects would be completed in 2014 through 2016; however, we could begin the engineering studies. Mr. Wenger noted that the other consideration is that you would be paying interest the first year for money that you are not using at a cost of \$90,000. He suggested that it might cost \$60,000 to \$70,000 to replicate the financing and if you don't spend any of the money you will have spent \$90,000 in the first year for interest. He noted that the question is will the rates be that much higher a year from now or if the rates don't go up, wait to borrow the money. The question is should we borrow money, and pay the interest even if we don't need the money until next year. Mr. Hawk noted that we would be looking at borrowing \$4.2 million to include the FC projects.

Mr. Bova questioned if it would be easier if he and Mr. Wenger completed an analysis to show the financial impact in terms of new debt service for increments of one million dollars for new projects. Mr. Blain answered yes. Mr. Wenger noted that it would be the next step as he did not have any inkling for where the Township was going with its projects. He noted if we need to slow down the refunding by a couple of weeks, it would be the right thing to do. Mr. Smida suggested that we will be able to fine tune it. Mr. Wenger noted that the \$3.2 million is a simple analysis at what it would cost to borrow the money now versus waiting a year and what the interest rate risk would be; how many basis points would it move before it would make more sense to borrow the funds today. He noted the more difficult item would be for the FC, to determine if we are throwing good money after bad or bad money after bad. Mr. Hawk suggested that you should have that answer in a couple of weeks. Mr. Wenger stated that he could probably do that but he can't speak to everyone else's schedule. Mr. Hawk noted that we need to get some answers at this point to make good decision. Mr. Wenger noted that he would provide some numbers for the Authority side and do an analysis of where rates could be a year

from now and determine if waiting would be a good decision. He noted that you have long-term projects that will have to be funded, but the question is when you need the money to do them. He noted that it seems that you don't need any of that money in 2013, so there is a 12-month window to evaluate interest risks. Mr. Hawk noted that he feels more comfortable making sure the Township has the money in place for that and if it is financially profitable in making the decision.

Mr. Robbins noted if you are going to have funding in place for 2014 budget for projects we need to make sure that we have funding in place to do the design and permit work.

Mr. Hornung noted that there would be no usage of the money in 2013... Mr. Wolfe noted for actual construction, as we have the construction program in place for 2013. He noted that you could begin working on the 2014 projects for engineering and permits if you know you have the funding. Mr. Hornung questioned where the \$750,000 for this year is coming from. Mr. Wolfe answered that it is bond money that was allocated for this year. Mr. Wenger noted if you will need money by January of 2014, then the answer will be to borrow money now, since we won't close until April 1, 2013. He noted that we have narrowed that window down to eight months, so the \$90,000 in interest would be around \$65,000 and it wouldn't be worth taking the interest rate risk. Mr. Bova agreed with Mr. Wenger. Mr. Wenger noted that it comes back to reviewing the FC to understand how it operates, what it cost, and if spending more money is the correct thing to do. Mr. Blain noted that he would get together with Mr. Wenger and Mr. Luetchford to start the FC study process. Mr. Hawk noted that we will discuss this during the February workshop session. Mr. Wolfe noted if the information is available earlier, he could schedule a workshop session prior to the start of the February 5th business meeting.

Mr. Wenger noted that he would do the rating process using the \$4.2 million total and if you put the FC on hold, it can be taken out and it will not change anything with the rating agency.

Mr. Hornung noted that we accelerated the Authority's schedule due to the favorable economic conditions on bidding, but it is causing undo expenses on the Township side. He questioned if we need to rethink it. Mr. Wolfe noted that you are too late to do that, as we are acting on \$7 million projects that are going to construction. He noted that you can't slow that

process down. Mr. Stine noted that you have a consent decree timelines for when items must be done.

Review of the 2013-18 MS4 Report to
Department of Environmental Protection

Mr. Robbins noted that he wanted to talk to the Board about the Township's Five-Year Permit for Municipal Separate Storm Sewer Systems (MS4s), that starts in 2013 and run through to 2018. He noted that there are six Minimum Control Measures (MCM) as part of the report. He noted that public education and out reach is number one; and public involvement and participation is number two. He noted that illicit discharge detection and elimination is number three, and four is construction site stormwater runoff controls. He noted that number five is post-construction storm water management in new and re-development activities and number six is pollution prevention and good housekeeping for municipal operations. He noted with the new permit, Department of Environmental Protection (DEP) expanded what the Township will have to do for all of those minimum control measures. He noted as far as the six MCM go in terms of man hours to complete, MCM 3, dealing with illicit discharges will be the one most focused on by staff. He noted that we must eradicate any illicit discharges and ensure that they don't continue to occur. He noted that many of these things staff is already doing but they have expanded the items and many will be able to be done in-house. He noted that he will need some help from HRG to do this.

Mr. Robbins noted that the Total Maximum Daily Load (TMDL) requirement will be the second heaviest effort as it is necessary to create a MS4 TMDL design detail and we have the Chesapeake Bay Pollutant Reduction Plan to go along with it. He noted that MCM #6 for preventing pollution and good housekeeping for municipal operations will also be a weighty process. He noted that he will continue to do that work now and will move forward with this new work.

Mr. Robbins noted that he wanted the Board to see this so that it would have an idea of what the next five years will entail to include much reporting and information that must be dispersed to different audiences. He noted that DEP and the Environmental Protection Agency (EPA) will expect this from the Township. Mr. Hawk noted that the EPA is really driving this process. Mr. Robbins answered yes, noting that many municipalities have to do that same thing.

Mr. Wolfe noted that this is extremely fast summary of what the Township must do. He noted that there is an unbelievable cost to this effort and it is not just being realized by municipalities across the state. He noted that the work product creates a very thick publication that is a foot high, annually, and it will only become more difficult to comply with and more costly as we go into the future. He suggested that more discussion could be held on this topic during the Board's next semi-annual Road Tour. He noted that staff is doing its best to comply with the MS4 program and it is a huge undertaking. Mr. Hawk noted that anything the EPA is involved in becomes a costly item and time consuming.

Mr. Hawk noted that what Mr. Robbins is seeing now is only the tip of the iceberg for items that are being considered on the federal level. Mr. Hawk suggested that they cannot get too much more restrictive but there are other things in the making that are not very popular.

Mr. Hornung questioned if other municipalities are taking a different approach to this issue. Mr. Wolfe noted that they are not taking a different approach, noting that all are in some stage of compliance with it. He noted that the EPA conducted surprise inspections last year of five municipalities and all received citations and fines of some nature. He noted that Swatara Township, who has a program similar to ours, was fined \$160,000 and they negotiated it down to \$50,000, not including the legal fees. He noted for example, when a concrete trucks washes out, they are supposed to wash out into a wash box, and in a new development a concrete truck was not washing out into a wash box and the municipality was fined for those actions. He noted that they were not the developer, builder or the concrete company. He noted that the state and federal government is looking at the Township to ensure that we are aware of what is going into the waters of the Commonwealth in Lower Paxton Township and are monitoring it and enforcing the regulations.

Mr. Hawk noted that the EPA has never lifted the restrictions for the TMDL for Paxton Creek. Mr. Wolfe answered not yet.

Discussion with Simone Collins regarding the
Wolfersberger/Koons Park Planning Project

Mr. Luetchford noted that the Board decided six months ago to match a Department of Community and Natural Resource (DCNR) grant to plan out the Wolfersberger Park and re-plan Koons Park. He noted that a master plan committee was formed, mostly of members from the Park and Recreation Board as well as Dennis Guise from the Planning Commission and Lori Wissler and others who formed the Master Plan Committee. He noted that they have been working with the consultant, Simone Collins. He explained that Bill Collins is present to explain what has been accomplished to date.

Mr. Bill Collins explained that he is a member of the Simone Collins firm made up of landscape architects and planners. He expressed his thanks for being selected by the Board of Supervisor to do this planning project. He noted that he also worked on the Township's Greenway Plan. He explained that he will present a short power point presentation to be followed by questions from the Board members.

Mr. Collins explained that we have had great public participation so far and the Committee is excellent. He noted that he will present the current analysis for this project and several concepts developed from the public input received. He explained that this is not the final plan as there are many options. He noted that there are two parks involved and the Township will own the second park in a few weeks. He noted that it is a great investment.

Mr. Collins noted that the two parks are completely different as Koons Park is a historic park surrounded by dense neighborhoods, whereas the Wolfersberger Tract is a new facility that is not developed, and only partially surrounded by residences. He explained that he is looking to see what uses are in Koons Park that could be moved to Wolfersberger Park.

Mr. Collins noted that the team is made up of Landscape Architects, Wallover Architects and Aquatics, Environmental Engineer Specialists, Water Resource Managers, Grove Miller Engineers (Traffic Engineers), and Pennsylvania Forestry and Wildlife Consultants.

Mr. Collins explained that the public participation involves four public meetings, having completed one so far, and the Committee has met with focus groups and sports organizations and a total of six study Committee meetings. He noted that the web opinion survey and ten key persons or organization interviews will start soon. He explained that the next public meeting will be held on January 24 at the Municipal Center and a third public meeting will be held on April 4,

2013. He noted that he will have a design by April 10th, in order to make the DCNR application deadline

Mr. Collins noted that any ideas that come up in the public meetings are listed in a brainstorming format of goals, facts, concepts and partners. He noted that some of the feedback that was received from the public concerned the current park status, and other recreation facilities and traffic facts. He noted that we know that Koons Park has a drainage issue that needs to be improved. He noted that there are issues with the roadway that accesses the Wolfersberger Park and access will be a challenge. He noted that there are issues at the bottom and top of the hill for the roadway on Wenrich Street. He noted that future park entrances may be possible by working with developers.

Mr. Collins noted that the Committee has met with the sports groups and much input was received for uses and wants including cricket and dog parks, Frisbee users, and other items. He noted that there are problems with the ball field orientation with the ability of foul balls leaving the park going into traffic or private residences. He noted that the Committee has created a list and made contact with partners for the public meeting feedback as well.

Mr. Collins noted that Koons Park has many facilities but he questioned how it measures to the current day standards. He explained that the ball fields in red are in the wrong orientation based upon sun and other issues. He noted if you plan to make drainage improvements, you might consider reorienting the fields. He noted that circulation by foot traffic or vehicle traffic was reviewed to determine what improvements could be made for additional parking. He noted that the architect reviewed the pool and found that it is aging but not leaking and is in remarkable condition. He noted that the people who manage it are doing an excellent job. He noted if it would start to leak, there is a liner option, but the pool will fail in the future and it will not be worth reinvesting in. He noted that the public meeting vocalized to keep Koons Park youth oriented and as active recreation. He noted that lighting considerations were requested, and adding a skate park was mentioned. He noted that some ideas might not fit in the Wolfersberger Park either, but this information is valuable to have. He noted that an amphitheater band shell is proposed for another park and questioned if it could be put in the Wolfersberger Park as well. He noted that mosquito's foggers were brought up, the mister to cool kids off without a pool.

Mr. Collins noted for Koons Park he reduced the amount of ball fields and oriented them correctly and tried to put the same uses in the same places, noting that currently there are overlapping baseball fields. He noted that the organizations find it very hard to maintain the fields that way. He noted that he added more parking, kept the pool where it was originally located, noting that the plan shows a 50 meter configuration for the pool, a regulation size pool in the same footprint. He noted that you could keep the tennis and basketball courts. He noted for the second concept, he moved the teenier fields, removed the tennis courts, added parking along Raspberry Lane, kept the basketball courts, re-oriented the fields, and consider a new concession and pavilion building. He noted where there is a drainage issue, the pipe should be upgraded. He noted that the civil engineer is looking how to do stormwater management best practices before the water leaves the park. He noted that concept number three used the parking as more of a maze and not a cut through moving the basketball courts and relocating the playground and pavilion. He noted that this plan is an attempt to max out the baseball fields. He noted that none of the concept plans are the answer, and he might end up doing three more to come up with the best options.

Mr. Collins noted that two site analyses have been done for Wolfersberger Park. He noted that the red areas are the steep slopes, showing the constraints. He noted that it shows the existing road into the property and where the paintball area is located. He noted that there are two major utility corridors coming through the property and a private entrance to the adjacent parcel. He noted that there are steep slopes across from Whisper Woods Lane, and that none of the access points to the property are optimum. He noted that development will occur from Blue Ridge Avenue to Piketown Road to Wenrich Street and Linglestown Road. He questioned how someone might developer their land and he suggested that there may be possibilities in the future to partner with them. He noted that he studied how those roads might enter the park from other directions to make it safer, and suggested that those neighborhoods at least should have good walking access to the park. He noted that he looked at the power lines and stream corridors noting that there are areas that are not developable for traditional development but they may be buffers to the park and how it could be enlarged to work with developers.

He noted that there were many concepts for Wolfersberger but the overall consensus is that the community would like to see that park developed in a more passive manner. Mr. Seeds

questioned what community requested that. Mr. Collins answered the public that attended the meetings. Mr. Seeds questioned where those people live. Mr. Luetchford noted that we had a focus group meeting of park neighbors for both parks and the meeting was posted in the surrounding neighborhoods. Mr. Hornung noted that anyone who lives around a park would want it to be passive as they don't want the traffic. Mr. Luetchford noted that they also invited a focus group of sports groups to a public meeting with additional meetings to be had.

Mr. Collins noted that there are two concepts developed for this park, one passive with trails and the other not maximizing the fields. He noted that it would be easy to get the trails going early in the development with less cost input. Mr. Luetchford noted that Mr. Collins is aware of the Green Plan that has an open area for ball fields in the front 50 acres. He noted that they have not looked at that plan much. Mr. Collins noted that it could be considered for maximum field development. He noted that for one concept he shows various means of entering the park with parking on the north side having access to the other section of park with a system of walking trails through the park, noting that they must respect the wetlands keeping the natural area as a buffer to it and they might consider developing fields to the north and south of the front 50 acres. He noted that the second concept shows that a new pool could be placed on the north side facing south as the FC is maxed out for use. He noted that it keeps the parking to the north, bringing the road across from Warren Avenue using the site for celebrations such as weddings or graduations showing a pavilion and parking to the south as well. He noted that it also includes a system of internal trails. He noted that the issue for the continuance of paintball must be decided in the near future as the planning moves along.

Mr. Collins noted that is where the Committee is to date on the planning.

Mr. Seeds noted that a large problem with Koons Park is parking as it is landlocked except for a possible opportunity to acquire some land across from the midget field. He noted that he has not talked to the owner but if that could be done, it would help a lot with the parking. Mr. Luetchford noted that it has not been discussed in this planning process. Mr. Collins suggested changing the parallel parking to back in parking by the pool to provide more parking spaces. He noted that the same would be true for the other side if the fields would be relocated.

Mr. Hornung questioned what some of the goals of the analysis were. Mr. Collins answered that it was to look at the physical constraints, looking at the slopes and waterways, to

determine what is left. He noted with the public, he can get a general program of what might be developed and then apply those programs to the site and move them around to their best use. He noted that he came up with a couple concepts to do this and he continues to go through the public process, prioritize the information, and put costs to those things. He noted that will determine what you do. He noted that where the funding comes from can determine when it can be done. He noted that it is physical constraints and public wishes and trying to apply both to the site.

Mr. Hornung noted that he hears that we need more soccer or baseball fields yet when we looked at Wolfersberger Park, there was very little of that in the park. He questioned if the input from the public demonstrated that was needed for the parks. Mr. Collins noted that he received input from the sports clubs, noting if there was a better consolidation of fields it would be easier to use them. He noted that we have looked at butting baseball, soccer and football fields together. He noted that he had the plan that showed the maximizing of fields for soccer, so he tried to show what a passive developed park would look like, and then a hybrid. He noted that there is a range of options at this time and the next step is to prioritize the needs for the Township.

Mr. Hawk noted that the Capital Area Soccer Association (CASA) participated in the planning process and at one time they were looking at an eight field soccer complex, but the plan shows much open space in the Wolfersberger Park. He questioned if that is due to wetlands. Mr. Collins noted that it is not that the demand is not there but to get eight fields; Wolfersberger is not the right site for that due to slopes, wetlands, roadway access and amount of required parking needed and the traffic that it would generate. He noted just because you need it doesn't mean that this is the best place to put it and that is what we are trying to balance. Mr. Hawk suggested that you would need more land than what is available. Mr. Collins noted that native valleys go through both the north and south parts of the park. He noted that you would have to cut into bedrock, but you would lose the character of the park if you try to overdevelop it in just one way. He noted that you would have a range to consider from the passive to the hybrid, with some fields. He noted that he could render the field that HRG did maximizing the field use but the grading is very negative for that. He noted, in Chester County, they have a big place where the fields are terraced off, but it did not have the same constraints that this park has. He noted that access was easier and the grading was much better and did not have the streams and major rock issues as well as utility lines.

Mr. Seeds questioned if CASA came to the meeting. He questioned if they are pushing soccer fields. Mr. Luetchford noted that a couple of board members showed up and it is not that they don't want them, but they did not come in force anymore than the baseball or football teams.

Mr. Collins noted that he looked at the topography that was adjacent to the tract and on the northern side to the east, that property is better for ball fields as it is flatter with no streams running through it. He noted if there could be a negotiation with a future developer, maybe some of those fields could be developed in that location, the one to the east of the back track of land. He noted that is the best place for soccer.

Mr. Seeds questioned if Mr. Collins had looked at any costs. Mr. Collins answered no. He noted that all municipalities are facing the same financial issue and the park would not be developed at one time, rather over a period of time. He noted that you need a plan that everyone can get behind that the Township can afford it. He noted that the main thing is that you purchased the property that is valuable and it will become a nucleus for the community. Mr. Seeds suggested that maybe we didn't get the park for such a great price since the land has so many restraints. Mr. Collins noted that you can develop that park over time and suggested that you start with a simple walkway system that people can start to use.

Mr. Collins noted that one of the goals was to tie in the development of both parks, and how to get to the parks and how do those who live close access those parks. He noted that they are being studied as sister parks.

Mr. MacIntyre noted that he has a concern about the need for more fields. He noted that not all the residents in the Township want fields. He noted that you have to look at where the needs for the fields are coming from. He noted that the major sports engage in a lot of fundraising activity to use the Township property at no cost, and it keeps other citizens out of area. He noted that we are trying to come up with a plan that is workable and address many of the needs. He noted that he understands the soccer issue as he has been associated with CASA for many years, but the fields that they have now are far better than many of the fields his kids practiced on. He noted that you don't need to practice on a field as all they need is a big green area. Mr. Hawk noted that CASA just upgraded the two fields in George Park. Mr. MacIntyre noted if we focus on fields, we are bypassing a whole large community. Mr. Hawk noted that

not everyone wants soccer fields but there is an organization that would like to see more soccer fields. Mr. MacIntyre noted that there are groups who would like to see walking paths and bicycle paths and other things. He noted, with limited resources and land, he wants to provide the best overall system throughout the entire park system. He noted that is what they are trying to keep in mind.

Mr. Collins noted if you start small with walking paths, it does not prevent fields from being developed in the future but there needs to be a balance between the active and passive. He noted that many start the parks with walking trails, and if you improve the trails, you are not precluding anything else from future development.

Mr. Hornung noted that he always looks at what his return would be and the purpose in providing recreation to the people. He noted that he wants to receive the maximum amount of usage for the money to keep the kids off the street. He noted that his goal is to develop the character of the kids more so than the character of the land, for teaching, coaching and training of sports instead of their ending up in prison. Mr. Collins noted that soccer fields at Wolfersberger might not happen but when you look at costs to develop the soccer fields on a site that goes up and down. He noted when the economy gets back on its feet, there may be a possibility that the demand will grow; but if you want to build it you go somewhere else. He noted that you have a wealth of organizations that are nurturing these fields. He noted that you don't have the money to develop the park at this time, so what can the Township can do.

Mr. Hornung questioned if there are any statistics for the use of passive recreation. Mr. Collins answered that he does not have numbers but he could say that across the board in this state and the US, trails are the number one requested item when polls are conducted. Mr. Luetchford noted that it was the highest requested item. Mr. Hornung noted that he does not think that anyone uses them. He noted if he is going to use the money to develop them he wants to see people using them. Mr. Blain noted the problem with trails is that it is not like a regular park as they are walking in some type of wooded area. Mr. Luetchford noted that they are used over a period of time where as the fields are used heavily for a few hours during the day. Mr. Seeds noted that he has been to Boyd's Big Tree area and he has never seen anyone there. Mr. Collins noted that user counts are the hardest thing to do, but they are doing them on trails. He noted that if you build a facility it can average from one to a hundred that use it. He noted that it

is the common denominator for all facilities. He noted who uses it and when it is used will depend on where it is, how you get to it, and what the trail is like. Mr. Hawk noted that he and his wife visited Presque Isle in Erie, and the three major things most utilized were trails, bike trails and the beaches around Lake Erie. He noted that he walked three or four trails and it was amazing how many people you met on the trails. He noted that he never saw more runners than he did at Presque Isle, especially with the baby carriages. Mr. Collins noted that education can go along with the development of the trails.

Mr. MacIntyre noted that many times we build trails that go nowhere, but the Greenway Committee is working to put those together. He noted if you go to Wildwood Park... Mr. Hornung noted that he used to go there... Mr. MacIntyre noted that the Capital Area Greenbelt has biking and other things like that. He noted if you are a mile deep into the trail at Wildwood, no one would see you there, but there are always cars parking in the area. He noted that it is too buggy for him. Mr. Blain noted that you see many people using the rail trails in Hershey as they are mostly level. Mr. Blain noted that kids ride their bikes on those trails.

Mr. MacIntyre noted that the quickest thing we could build is trails, or bike trails.

Mr. Collins noted that you have completed a Greenway Plan, and it includes sidewalks, off-road and on-road routes, but these two parks are set with that larger Township plan, and if you create a system of walkways around the superblock of Wolfersberger Tract, you have a walkway system from your high school right through the park. He noted that the trail could be a cross-country trail with a chance to do transportation and recreation piggyback, and it could be developed in a partnership.

Mr. Hawk noted that you have thought outside the box.

Mr. Stan Smith noted what appealed to him is that we are also looking at how to use Koons and the deficiency you find at Koons Park could be better utilized to create better fields as it might eliminate some of those issues. He noted that we want to maintain the natural assets of Wolfersberger Park. Mr. Hornung noted that he hears that the fields are over utilized, and it is difficult to keep the grass in good condition, and there is an over demand for fields and people are being turned away. He noted that the passive recreation people are not pushing him as much as the sports organizations for more fields. He noted that putting passive recreation in does not seem to relieve the other parks that are overused and the high maintenance costs for upkeep. He

noted that is why he asked what the objective was as he had a concern if only the people who live around the park were invited, they would only want passive recreation as they don't want a lot of people around. He suggested that passive recreation increases police calls due to the kids hanging around and not utilizing it properly which deters other people from using the trails. He noted that the last thing we need to do is to increase the police calls as we are struggling with a very difficult budget. He noted that the process of passive recreation would not be bad, as we have an aging community but everyone is overweight since they don't go out and walk. He question if the people will have the motivation to get out and walk and use the facilities. He noted that he has to rethink his thought if we are to go down this road. He noted that he is struggling with this and he questioned if the people will use it.

Mr. MacIntyre noted that we are not set in stone yet, and will continue to get more information and input from people. He noted that it is not a plan for passive recreation per se but when we get ownership we will have to do something right away to make it a park for tax purposes. Mr. Stine noted that the property cost \$800,000 so it is not an insignificant amount of money for real estate taxes. Mr. MacIntyre noted if we make a trail then it is fine. Mr. Hornung noted that the taxes alone would pay for the trail.

Mr. Collins noted that the concerns for security and safety for trails are real, but they are real for any kind of park that you do. He noted that he designed a skate park in Bethlehem and because the community was involved in the design it has not been tagged yet. He noted that the people are proud of the skate park, noting that you need to continue involvement throughout the entire process, including young people. He noted that we are just getting started with the planning.

Request from the McNaughton Company to revise the
Autumn Oaks Subdivision Plan as it pertain to Patton Road
improvements and development density

Mr. Joel McNaughton explained that he wants to speak about the Autumn Oaks Plan. He noted that the resident cluster portion of the development is approved for 203 total units, and as of today, 50 homes have been constructed, and most are occupied. He noted with the approval of the preliminary plan, he entered into an agreement with the Township for the realignment of Patton Road at the S-Turn, south of Continental Drive. He noted that it is also to be widened to continue what was done on Continental Drive. He noted, per the agreement, those improvements

must be completed with the construction of Phase III or the occupancy of 126 unit in Autumn Oaks. He noted that we are not near that number yet, but we are getting closer to starting Phase III.

Mr. McNaughton noted that his observation in talking to residents who live in the development or realtors, is that much of the traffic that is coming to or leaving Autumn Oaks is not using Patton Road as they travel Continental Drive to Colonial Road. He noted that Continental Drive is 40 feet wide, and Colonial Road is close to that and there is no driveway access on either road. He noted that Patton Road has all sorts of driveways, blind turns and all kinds of restraints. He noted that the people are not using the road and the more he thought about it he considered that it might be good to not promote drivers to use Patton Road. He noted once you get past the area that he needs to improve, you hit another S-turn and the road is narrow with many driveways and stop signs.

Mr. McNaughton noted that last year, in some of the major rain events Patton Road and Continental Drive that have culverts that are undersized or blocked and experienced flooding issues. He noted that Patton Road at Continental Drive was closed last year due to high water. He noted that many people were land locked and could not get in or out during the high water event. He noted that his engineers have met with Township engineers to determine if it would make more sense to put the resources into fixing the flooding issues over straitening Patton Road. He noted that to fix Continental Drive he may need to upsize or modify the culverts that go under the road, clear some of the obstructions that are in the stream banks, and do some stream bank restoration. He noted that there is a portion of Township property off of Patton Road where the water meanders wherever it wants and it might be better to channelize that water to get it into the larger stream channels quicker to prevent it from backing up.

Mr. Wolfe noted that the Township owns an acre off of Patton Road, near the stream. Mr. Seeds suggested that Patton Road would have been closed in 2011 multiple times as it sits so low. Mr. Robbins noted that a study for hydraulic capacity would need to be done. Mr. Seeds questioned if it flooded at Continental Drive. Mr. Robbins answered that it flooded in two places, prior to and since 2011 as the pipes may be undersized, but that is an unknown without a study.

Mr. Hawk noted that the plan calls for 201 homes and part of the letter is a request to increase the density from 1.5 homes per acre to 2 homes per acre. He questioned what the feedback would be from the people in Centennial Acres as it would put more traffic on that road and increases the density. He noted, the way the ordinance is written now, it does not allow that and the McNaughton Company is the second one to come to the Board with a text amendment proposal. He noted if the Board does it for one, they must do it for all and it becomes somewhat of a problem. He noted if all people used Continental Drive, it will increase traffic significantly, but cost wise, correctly the Continental Drive issue would be significantly less than Patton Road. Mr. McNaughton noted that he has a good idea for what it would cost to do the Patton Road work and he would spend the same amount of money on drainage repairs, noting if it only cost one third of that amount to do the work on Continental Drive and Patton Road, he would be happy to take the rest of the money to do repairs elsewhere in the Township. He noted that he would spend an equal amount of money but it does not make sense to spend that money to straighten Patton Road.

Mr. Seeds noted that you have an approved plan for Patton Road that you worked with HRG on years ago. Mr. McNaughton answered yes. Mr. Seeds suggested it might be a better way to spend money than to correct the Patton Road issue to stop the flooding. Mr. Hawk questioned how much water would you eliminate by straightening Patton Road and would there be a benefit to Continental Drive or are they two separate issues. He questioned which would be the better use of funds. Mr. Fleming noted before you move forward to look at the alternatives from straightening Patton Road, traffic counts should be done to determine how many people use Patton Road now, to determine how much it would cost to upgrade it or would an alternate plan be suitable, and then analyze the alternatives to determine what to do with the existing Patton Road. He noted the drainage structures are undersized, the road flood and the Public Works Department has to go out to barricade the road as there is a safety issue.

Mr. Hawk noted that he would like to know the cost benefit ratio between Continental Drive and Patton Road. He noted that he is not sure about increasing the density for the plan. He noted that it throws out the ordinance and changes the plan. Mr. Seeds questioned if the plan was approved, it would have stopped Patton Road from flooding frequently. Mr. Fleming noted that the design was not finalized, it was more of a conceptual geometric layout; in order to

finalize the study, hydraulic calculations would need to be done, and he is not aware that anything more was completed. Mr. Seeds suggested that there may be a few driveways on Continental Drive, not far from Patton Road, but it is narrow at the one area of Continental Drive. Mr. Fleming noted from a traffic and road design standpoint, Continental Drive and Colonial Road are designed as collector roads so they handle far more volume than Patton Road can. Mr. Seeds suggested that more traffic would use Colonial Road than Patton Road. Mr. Fleming noted that the intersection of Colonial Road and Route 39 has a greater capacity than the one located at Patton Road. He noted that that the Sheetz and grocery store is a pass by destination for many people traveling in the area. He noted that it makes more sense for traffic to be geared to go out Continental. Mr. Hawk noted that he does not disagree with that as it is the logical choice. Mr. Fleming noted that Patton Road could be improved by restricting traffic from using it. He noted that closer to Route 39, the options for addressing the concerns become fewer and fewer due to the development that is against the road.

Mr. Seeds suggested that it would be better to fix other storm water issues than fixing the road. He did not think a straight road is as important as fixing flooding problems. Mr. Fleming noted that it would be a very significant environmental impact to straighten the road with the wetlands and floodplains. Mr. Robbins noted that you would have to take the down stream impacts into consideration as well. Mr. Seeds noted the DEP continues to come up with more regulations for storm water. Mr. Fleming noted that it would be a lengthy and expensive project and you would not be getting a great return for the residents. Mr. Hawk noted that he is interested in the Patton Road issue based upon what Mr. Fleming said, but he is not interested the density increase. Mr. McNaughton noted that although it was included in the same letter, they were not intended to work hand-in-hand. He noted that the change for storm water issues with Patton Road makes a lot of sense. He noted that when he reviewed that he also looked at the overall design of Autumn Oaks and 1.5 units to the acre of land that is designed to be serviced with water, sewer and gas and is located off the collector roads, it seems to him that two units to the acre is low for residential housing. He noted that the Township has the Yield Plan requirement in the RC zone, so when you take a site like Autumn Oaks where you have wetlands and streams the Yield Plan constrains what you can do on the site.

Mr. Seeds noted that another developer is asking the Board to look at that zoning ordinance, but we must treat everyone the same. He noted if you get rid of the Yield Plan requirement, you go from 446 units to 496 units and it would bring opposition from the residents.

Mr. McNaughton noted that everyone looks at density even though the density is higher; when you go to a mixed use type scenario, for instance, a single-family home is used as a traffic factor of ten trips per day whereas a townhome is six trips per day. He noted that although there is an increase in density, when you have a mixed use you don't have the same impacts for traffic and children enrolled in schools. He noted that sometime it results in lower impacts. Mr. Seeds noted that some of the plan is Residential Cluster and the other is R-1. Mr. McNaughton noted that the lower portion that is called Autumn Oaks is RC and the top part of the estates is R-1. Mr. Seeds questioned Mr. McNaughton if he did a Yield Plan for the RC. He questioned how many units could have been built using R-1 zoning. Mr. McNaughton answered 203 units. Mr. Seeds questioned what is allowed in the RC. Mr. McNaughton answered 203 units. He noted that the Yield Plan establishes the maximum density, and when you cluster, you are permitted that number of units as long as you provide open space and those types of things.

Mr. Fleming noted that other municipalities are relooking at the Yield Plan concept as it works well in theory but developers are coming back stating that it is density neutral and doesn't provide a real incentive to use a cluster option. He noted that, often times, you get the same amount of units in a little smaller area but you still have to build some of the infrastructure.

Mr. Seeds noted that we have the incentive only for the 55 age or over living plan.

Mr. McNaughton noted that he could read the ordinance, get more familiar with it and come back with some ideas to a session like this, and determine what it does with this tract along with the other ones. Mr. Seeds suggested that there are only three or four RC zones in the Township. Mr. Wolfe noted that we are coming to an end of that zoning; however, there are still quite of few of them. Mr. Blain noted that he would be fine with Mr. McNaughton working with Mr. Fleming on the issue of the storm sewer improvements. Mr. Seeds agreed. Mr. Blain noted that we need to determine what we need to do to fix the problem on Patton Road, and if there are other ways to utilize that money for other drainage issues he is fine with that.

Proposal to extend and reduce the cost of electricity from Constellation
NewEnergy on behalf of the Municipality Utility Alliance

Mr. Wolfe noted that the Township is a member of the Pennsylvania Municipal League Utility Alliance, and is the lead agency when it comes to the formation of the state-wide municipal utility alliance. He explained that we have participated in this joint venture for purchasing electricity for three years and received very favorable pricing. He noted that the current contract with Constellation Energy is up and they have offered to renew our electric pricing. He noted that it changes everyday and he has provided everyone with the proposal that was made to him on Friday. He noted that the 11 month number on Friday was .065432 fixed price per kilowatt hour, but the price today was a little higher at .067466. He noted that the pricing that exists in Pennsylvania for business class customers are GSI accounts which are all but two of the Township accounts with Constellation at approximately .067. He noted of those who provide service in the area, there is only one provider who has energy at a lower rate and that is Palmco Power at .063 per kilowatt hour. He noted that it is a variable rate, not a fixed rate, whereas Constellation is offering a fixed rate. Mr. Wolfe noted for the GF3 accounts, which are the Friendship Center and Municipal Center, they are offering a fixed rate of .067 and there is no competitor that offered a price lower than .07. He suggested that the Board authorize him to enter into a fixed price with Constellation NewEnergy in accordance with the Municipal Utility Program for another contract term with the Board to ratify that term at its next business meeting. He noted that it would be appropriate to select the contract term at this time. He explained that Constellation provided terms of 11, 23, 35 and 47 months expecting services to begin in February to keep the Township on a calendar year basis.

Mr. Blain noted that it made sense to do this. Mr. Wolfe questioned what length of lock-in you would want to choose. He noted at this time we are currently paying .075, and this would afford a 15% reduction in prices for generation. Mr. Seeds suggested going for the 47 month option. Mr. Hawk noted that he would not have a problem with that. Mr. Blain noted that he gets concerned with locking in a rate for that long a period of time. Mr. Wolfe noted that the cost of electricity is tied very closely to the cost of natural gas and the generation of electricity goes with the price of natural gas. He noted that natural gas prices have fallen in Pennsylvania due to the Marcellus Shale drilling. Mr. Blain noted that the drilling has slowed down and in 2013 the

prices for natural gas will increase since there won't be as much supply. Mr. Seeds noted that they are talking about using pipelines and it will help to increase the rates as well.

Mr. Wolfe noted if you expect the natural gas rates to increase then you would want to lock in for a longer term. Mr. Blain noted that it is a good rate for four years. Mr. Wolfe noted if you shop outside this program you will not find a rate that low for any length of time. Mr. Hawk noted that 47 months works.

Discussion regarding the actuarial valuation for the LOSAP and the need to amend the related ordinance, resolution, and plan document

Mr. Wolfe noted when the Length of Service Awards Program (LOSAP) was established the actuarial valuation projected a cost of a \$60,000 per year commitment from the Township to fund it. He noted that was in 2008, and since that time, there has been significant volatility in markets. He noted that the most recent actuarial valuation shows that the LOSAP should be funded at \$76,000, an increase of \$16,000 that was included in the 2013 budget. He noted to be accurate; the LOSAP ordinance, resolution and plan document needs to be amended to state those amounts. He explained that he would prepare those documents for the Board to take action and in order to increase the payment to \$76,000.

Mr. Hawk noted that the Fire Equipment Capital Plan is now going to be \$276,000 as compared to \$250,000.

Mr. Seeds noted if a member continues to work after his normal retirement date the pension would not start until he actually retires. He questioned if the firemen and fire police would get the benefit at age 65 whether they are retired from their job. He stated that it is found in the actuarial valuation that they must retire from service. Mr. Wolfe noted that is a standard statement found in all actuarial valuations. He noted that the benefits are payable at age 65. Mr. Seeds noted that he hopes that many people continue to do what they are doing. Mr. Wolfe noted that benefits are only payable if you are 65 years of age and have 25 years of service. He noted that you cannot build upon the benefit once you take it. Mr. Seeds questioned if they would earn anymore credits after age 65, noting that we had a window for the program since it started in 2008. He noted that it has nothing to do if they are retired from another job. He stated that there are many guys who continue to go out on fire calls even though they are 65 years of age.

Mr. Seeds questioned when the payments will start. Mr. Wolfe answered that the payments will start this month as soon as we get the certifications from the fire companies for the

year 2012. He noted that it will be a direct deposit payment, and will be retroactive for January if the first payment is not made until February.

“Otta Know” Presentation: No Item Scheduled

Announcement

Mr. Hawk explained that he and Mr. Wolfe attended the First Annual Dauphin County Premier Projects Award Luncheon. He noted that there were four areas of awards that were presented: **Community Capacity:** Derry Township Comprehensive Plan Visioning Process; **Infrastructure:** Millersburg Borough Gateway Park; **Sustainable Development:** Hershey Center for Applied Research; and Revitalization: Village of Linglestown Project to Lower Paxton Township. Mr. Hawk explained that he also plans to submit the Village of Linglestown Project to PSATS for a project award. He explained that he needs to see if it can qualify since it was completed in 2011 as the award is for 2012 year period. He stated that the Township made the final payment on the project recently and the final recommendations were presented by the Village of Linglestown Committee in 2012.

Adjournment

There being no further business, Mr. Blain made a motion to adjourn the meeting. The meeting adjourned at 8:57 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

Gary A. Crissman
Township Secretary