

**EAST HANOVER TOWNSHIP BOARD OF SUPERVISORS WORKSHOP
8848 Jonestown Road, Grantville, PA 17028
June 30, 2008**

The Workshop of the East Hanover Township Board of Supervisors was called to order with the pledge to the Flag by Chairman Marie Beaudet at 7:01 P.M. Present were Supervisors Keith Espenshade; Dave Marshall, Tom Shutt, and Larry Spittler.

Scott Wyland, Solicitor; Norman Ulrich, Engineer; Ed Latshaw of LTL Consultants, Andy Stein, EFMR; and Deborah Casey Secretary/Treasurer were also present.

This meeting was audio taped. The tapes are strictly for the use of the Secretary-Treasurer for clarification during preparation of the minutes.

MID-YEAR REVIEW OF BUDGETS

Mrs. Casey gave an overview of the General Fund Budget vs. Actual. The report is available at the Municipal Building for review.

- Income was reviewed first. It was noted only \$250,000.00 was budgeted for slots income. To date, around \$524,000.00 was received from gaming.
- The sewer project line is for the outstanding amount that has not yet been received from PENNVEST. DEP has done the inspection and hopefully the money will be received in the near future.
- Expenditures were reviewed next. The minutes reflect key highlights.
- General Government – The budget is \$153,990.00, to date the expenditures are \$93,474.00. This includes professional services.
- Solicitor/Legal Fees – Budget is \$100,000.00, to date the expenditures are \$71,141.00.
- Secretary/Treasurer – This includes the Secretary's mileage, training, bonding, etc. The budget is \$2,600.00, the expenditures \$4,133. The increased in expenditures is from the increase in the Treasurers Bond. The bond was originally \$1,100 and increased to \$2,600.00. There is also the increase in reimbursable mileage rate.
- Engineering – The Budget is \$230,000.00, to date the expenditures are \$214,678.00.
- Fire Co. – This includes all their insurance. The budget is \$47,000.00; the expenditures to date are \$14,356.00. The \$20,000.00 that is to go into a special Emergency Fund has not yet been done and is not included in the expenditures at this time.
- Planning and Zoning – UCC and Zoning charges – The budget is \$47,000.00; the expenditures to date are \$63,549.00.
- Insurance – Workers Compensation – This will be over budget since after the budget was approved, the Township was informed the cost would increase to around \$50,000.00 because of 2 Fire Co. claims.
- Chairman Beaudet noted the Solicitor and Legal fees are over budget because of issues such as the SRBC, Needs Assessment, etc, which are items that are related to the Casino. These can possibly be reimbursed. Engineering is over

budget due to getting agreements set up for the Township regarding development, which it did not have before. This is to protect the Township in the future to provide escrow for new development. The Needs Assessment and GIS costs can be related to the Casino and can be reimbursable. The fuel budget will be over because of the increase in the cost of fuel.

- Chuck Mundy asked if the budget reflects to date or the entire year. It was noted the budget figures are for the entire year.
- Andy Stein noted the Township enacted a 209 Plan during the year and possibly during 2009, the Township will start showing income from the Plan. Since the Resolution was enacted, there is flat fee that can be collected. Chairman Beaudet noted the cost of the 209 study will be between \$35,000.00 and \$40,000.00. The fee that can currently be collected is \$1,000.00 per opening until the Committee comes up with a more definite number. Once that number is determined, the income from it will pay for the infrastructure of the Township.
- Chairman Beaudet explained the 209 Committee. The traffic studies will be done, and the trip per day cost from a development, hotel, etc. will have to be paid for by the developer. The developer sets aside the money and is responsible for the improvements of infrastructure.
- Chairman Beaudet commented the charges for UCC inspections were not high enough. Mr. Ulrich noted one of the agreements prepared will remedy that with the provision of construction escrow monies to be paid to the Township. Chairman Beaudet noted the Township's fees are set up at a cost of \$1,000.00 per new construction costs. The Township is being charged by square foot by the UCC inspectors. The Township is losing money and needs to revise its fees to use square footage vs. \$1,000.00 of construction costs. Penn National also has to be looked at regarding the auditing of the inspection costs. Discussion was held with LTL representatives regarding costs of inspections. It was noted escrow accounts will be set up for future projects.
- Mr. Spitler asked what portions of the solicitor fees are reimbursable. Mr. Ulrich noted engineer fees are charged to the applicant/developer. Solicitor Wyland noted his bills are broken down into enough detail that the costs can be pulled out.
- Mr. Marshall noted that solicitor/legal fees are the most over budget item. Last year it was decided a solicitor should be present at the Planning Commission meetings. He felt a solicitor should be present on as needed basis vs. every meeting and the Board's solicitor should be making the decision as to whether or not the Planning Commission solicitor would be required. This could save the Township some money. If something does come up, it could be deferred until the Planning Commission solicitor is contacted.
- Chairman Beaudet felt the problem with the legal fees were the water issues and other legal issues that came up unexpectedly.
- Mrs. Casey suggested the budget be revised since there are some areas that are considerably over budget. Solicitor Wyland noted the under budgeted items could be addressed through an appropriation resolution vs. changing the budget.
- Mr. Marshall asked if the budget would throw up a red flag during audit time. Solicitor Wyland felt the audit is only to look at the spending categories. The

budget process is a plan and the Township is supposed to try to stick with the plan. This year there were extraordinary unexpected expenses along with unexpected income. This fall as the Board does the next year's budget, it will be better informed as to costs and income.

- Mr. Stein commented the auditors are concerned about what the processes are for managing the Township's money and not whether or not it stayed within its budget.
- Mr. Ulrich commented at the beginning of the year, the Township had a concerted effort to get the Stormwater Ordinance together for adoption. The cost was around \$50,000.00 and is currently with DEP for 75% reimbursement. Chairman Beaudet noted the other 25% could be reimbursable as a result of the Casino since there are stormwater issues at the facility.

MID-YEAR REVIEW OF CONSULTANT CONTRACTS

LTL Consultants

- Chairman Beaudet noted she was happy with LTL's Consultants performance. She was especially happy with the agreements that have been developed for future development in the Township. The Preserve at Bow Creek – Keystone Custom Homes – has outstanding payments for Township engineering fees. In the past, if a developer came in, it was on the honor system. When the Township's engineering fees came in and were submitted to the developer, it was to pay those fees. This has not happened with Keystone. If the agreements would have been in place in the past, this would not be an issue. The agreements would enable the Township to require an escrow amount to cover any future fees and to protect the Township.
- Chuck Mundy asked about the procedure for applying for a building permit from Light-Heigel. When you apply for a permit, you give Light-Heigel a plan for what is going to be done. The plan gets passed onto another engineering firm for certification. Mr. Mundy applied for the permits to install solar panels on his roof. The specifications and the plans to his house to show the trusses were provided to Light-Heigel. Light-Heigel informed him that it needed the trusses certified by an engineer. Mr. Mundy wanted Light-Heigel's engineers to certify the trusses.
- Mr. Espenshade noted Mr. Mundy made the wrong assumption thinking that Light-Heigel were engineers. They are the Township's inspectors not its engineer. The building inspectors will not certify the trusses.
- Mr. Stein felt the Township would not want its sub-contractors certifying these issues since if the construction would fail, then the Township would be responsible.
- Mr. Espenshade commented the Township is not hiring Light-Heigel to certify structures, just to inspect what is being done. He felt that would be a conflict of interest.
- Mr. Mundy noted he had to pay another engineer to certify his trusses. He already paid Light-Heigel and did not feel he should have to pay an engineer. Mr. Espenshade reiterated that Light-Heigel is the Township's building inspectors and not its engineer. Mr. Mundy commented the engineer told Light-Heigel what

had to be done but when the inspection was done, no one even crawled up onto the roof to look at the work to see if it was done properly.

- Mr. Ulrich commented someone should have gone into the attic/crawl space to see if it was done properly. Further discussion was held.
- Mr. Spitler asked about the Engineer classifications of 1, 2 and 3. He asked for an explanation.
- Mr. Latshaw noted an Engineer 1 would be a recent college graduate; an Engineer 2 is someone who has significant experience but is not licensed; an Engineer 3 is someone who has significant experience and is licensed. Mr. Spitler asked if work is split up depending on the experience required. Mr. Ulrich noted that is done, but there is consistency to ensure the Township is served well. If it is possible, work is given to a lesser paid staff member. Mr. Latshaw reaffirmed Mr. Ulrich's comments and continued to discuss the staff responsibilities.

KTHL

- Solicitor Wyland commented there is an issue regarding flat fees for opinions. That might be something to be addressed in a revised agreement. KTHL could be asked to bill on an hourly basis or the flat fee is included in a revised fee agreement. He will contact Mr. Kovarik regarding the revised fee schedule.
- Mr. Spitler asked how Mr. Kovarik is being used. Chairman Beaudet noted he is not attending any Planning Commission meetings where there is representation from the Hilton Garden Inn. He is doing SRBC work, and the gasoline spill at Blouch's. Mr. Spitler felt the \$150.00 per hour rate is high and it would be wise if the Township is very prudent as to how it uses Mr. Kovarik.
- Mr. Marshall would like to see Mr. Kovarik's bills more detailed to see what he is doing for the Township.

EFMR Monitoring Group

- Mr. Stein commented half of the fees the Township paid were earned since no payment for services for the MOU was made until after the agreement was signed.
- Mr. Marshall felt with EFMR's services, the Township came out in better shape than it would have on its own. He appreciated the work that was done.
- Solicitor Wyland commented he calls on EFMR's services when needed and has received compliments on the job EFMR has done.

HAWKE, MCKEON AND SNISCAK

- Mr. Spitler commented it is very easy for the Township to double up in certain issues. That is his concern with KTHL and what firm is used for certain issues. He does not want the Township to be overlapping with legal fees.
- Chairman Beaudet noted Solicitor Wyland is now responsible for coordinating the legal issues and the personnel handling those issues.
- Mr. Marshall asked if it would be more beneficial for the Township if a representative from Solicitor Wyland's office was present at Planning Commission meetings.

- Solicitor Wyland did not know if there was any clear financial benefit, but there are two schools of thought. The Planning Commission with its own solicitor having an independent review of issues; and is the Township able to coordinate those functions with the Township's review. There are Planning Commissions that have their own solicitor, those that have none and others that have the Township's solicitor act as the Planning Commission solicitor. The Township's Planning Commission seems to like working with Mr. Kovarik and where he can't serve, Solicitor Wyland's firm serves.

NEEDS ASSESSMENT – ANDREW STEIN

Mr. Stein felt the Needs Assessment should serve 3 major roles; benchmarking the Township to measure the impact of the Casino in a way that no one can argue with; a new comprehensive plan; and to seek the maximum reimbursement for the impacts of the Casino. There are 5 recommendations EFMR is providing.

- Start working on the appropriate resolutions for a comprehensive plan.
- Authorization for Mr. Epstein and Mr. Stein to meet with the IDA so the appropriate process is determined for grants.
- Engagement of an engineering firm to start doing the road and bridge surveys. These will be needed for the comprehensive plan and will also be the most immediate need for the Township and the impact of the Casino.
- The Board needs to think about other ways of community outreach. The Township will be affected and the citizens need to have input as to what it wants the Township should be. This could be done through surveys, etc.
- A Capital Improvement Plan needs to be started for a 5 year rolling basis so that issues can be put into queue both for funding, planning, and so that residents can see that their issues are being addressed.
- Mr. Stein noted there is a window of 4 years with the current MOU. There is funding of \$12,000,000.00 available in the 4 year time. Other projects can be applied to for grants from the Advisory Board.
- Mr. Stein noted John Nelligan, as Board Chairman for South Central EMS did forward to him a statement on his belief of future needs.
- Chairman Beaudet asked if anything was received from the Fire Company. Mr. Stein noted there was a direct request but nothing has been received at this time.
- Mr. Stein commented the document is a draft. There has been a request from the Patriot News for a copy. Mr. Stein asked if the Board wanted to release the document. Mr. Marshall felt the document should be finalized before it goes to the press. Solicitor Wyland noted typically a document is finalized before release since there may be some misperception from the draft document.
- By consensus of the Board, the document is not to be released until finalized and approved.
- Mr. Marshall felt the issues in the Needs Assessment need to be done; however, the issues are focused on the affects of the Casino on the Township. He asked if other needs of the Township can be incorporated into the assessment so the Township can continually be aware of the needs.
- Mr. Stein noted the basic document was drafted by Mr. Latshaw of LTL Consultants with the intent of doing a new comprehensive plan. Added to the

document were other issues that were considered a result of the Casino such as infrastructure.

- Mr. Marshall commented with the gas prices, people who work at the Casino might want to move closer to their work. The impact over time will funnel through the Township. Mr. Stein noted the use of the money from the Casino is from direct and indirect impact to the hosting community. A good argument can be made as to a lot of what is going to happen within the Township will be a result of the Casino. The Township is in a time of growth and a new comprehensive plan acknowledging the Casino is here is called for. Hopefully the document will be a guideline for a “to do” list as to how a new comprehensive plan can be implemented considering the Casino. A lot of studies need to be done for a comprehensive plan and studies need to be done to say where the Township is as a result of the Casino. Those studies need to be done to measure the impact of the Casino.
- Chairman Beaudet noted the existing studies need to be kept track of so there are no duplicating studies and the existing ones are included in the comprehensive plan. Five years from now when the comp plan needs to be reviewed, all the existing data should be available and the Township should be able to readdress issues.
- Mr. Stein commented the Township cannot lose sight on what it needs to do with planning for the growth that will happen as a result of the Casino. It will not all relate to the Casino. The Needs Assessment is a document that is projecting how the Township will grow.
- Chairman Beaudet noted she received a call from Gary Luderitz of the Hollywood Casino regarding the Stiteler property. He was talking to a Recreation Department in Harrisburg and it was interested in the property for a sports complex.
- Mr. Ulrich commented the needs assessment does address issues within the Township. Even if it is a current need in the Township, the Casino is linked to it. If there is any type of road condition that needs to be addressed, it could be linked to the Casino since the time frame could be reduced because of other road issues.
- Mr. Marshall felt most things in the Township could fall into a result of the Casino, but one thing that is not linked is the sewer issues of Partridge Hills and Englewood. Issues like this should be in the needs assessment so the Township does not lose sight of what it needs to do.
- Mr. Stein felt those issues were addressed in the Needs Assessment. The document is not at the level of acting on the sewer needs at this time. It is to the level of a new Act 537 Plan.
- Mr. Stein noted there 2 different tasks; one is to do the comprehensive plan, and the other is tying in all the other issues to the comp plan and the Casino.
- Discussion continued regarding the comp plan and funding.
- Mr. Stein commented the Board needs to develop a plan that is best for the Township.
- Mr. Ulrich noted the reason for the Needs Assessment is a vehicle that creates a link between the monies from the Casino and the Township being able to get

- Mr. Marshall felt the Needs Assessment could be the tool as to what the Township needs to do for the next 5 years as to infrastructure, etc. Mr. Ulrich noted the Needs Assessment is inventorying of certain existing issues the Township has. He felt Mr. Marshall's concerns will be flushed out when the documents for the Needs Assessment are prepared.

DCCD/MUNICIPAL JOINT MEETINGS

- Chairman Beaudet noted Solicitor Wyland will be handling the issue.

Chairman Beaudet noted someone needs to go to S. Meadow Lane to address a stormwater problem with the resident's driveway. There are big trenches in the driveway. The water is coming from Samantha Court. Mr. Ulrich noted the issue would be looked at and a plan will be provided as to how the issue will be addressed.

- Mr. Ulrich noted the open swale ditch up from the driveway will continue to get worse. Some type of an improvement needs to be made to stop the erosion.
- Mr. Marshall and Chairman Beaudet will visit the property.

Mr. Spitler asked the Board to consider the hiring of a Township Manager because of what is down the road for the Township and the amount of time the Board has to dedicate to future issues.

Mr. Spitler asked the Board to consider giving the residents of the Township tax relief from the Casino money. This would be eliminating the Township property tax.

- Mrs. Casey felt the Board should wait until the end of the year to see how the budget works out.
- Mr. Espenshade felt the things the Township is trying to accomplish that the money will be needed for will be better spent in the long run instead of giving it back to the residents. He felt it could be a possibility next year or the year after, but there is work that needs to be done. In the next 4 to 5 years, the benefits will be there as compared to tax relief. He did not have a problem with tax relief, but there are big expenses that will be coming up that the Township needs to do.
- Chairman Beaudet noted Penn National has not been reassessed yet and can you relieve the residents without relieving the businesses.
- Mr. Spitler is looking at the hardship on the Senior Citizens with the price of fuel, etc. The income is only \$60,000.00 and if you are looking at a right time to do it, there will probably never be a right time.
- Chairman Beaudet noted the Township taxes are not that significant and the Township does not know how much Penn National will be assessed at.
- Mr. Spitler commented what the Township will get off of gaming is a year by year issue. You can do something later if the Township chooses. If the funds start to decrease, then the tax can be reinstated. This will be on the agenda for the July 15th meeting.

- Mr. Marshall agreed with a Manager and a tax reduction since it is a small way the Township can give back to residents with having to deal with the effects of the Casino.
- Chairman Beaudet discussed Mr. Spittler's request for consideration of a Township Manager. Mr. Marshall noted he has been against a Township Manager, but as his term continues, he is seeing more of a need for a Manager. He felt a Manager could perform a dual duty, a Manager and a Codes Enforcement Officer.
- Mr. Shutt felt a tax reduction was a good idea but would prefer to see the money go to the Fire Company vs. the taxpayers and let the residents know that is where the money is going.
- Mr. Espenshade suggested the issue be put on the Supervisors meeting for July 1st.
- Chairman Beaudet commented the residents need to know it is the Municipal Tax and not the School District Tax bill which is the larger one. The residents do not know how little they pay to the Township.

Larry Suhr commented he has seen the State out replacing all the drains along Sand Beach Road. He asked if there is any power in the Township to influence the State to fix the road properly. There are 3 turns on the road which are dangerous and there have been many accidents. He commented on the Township's roads. There are many kids that ride Jonestown Road on bicycles. He felt bike lanes should be put on the side of the Township roads. He commented on the new shed that is being built at the sports fields.

The meeting was adjourned at 8:42 PM.

Respectfully submitted,

Deborah A. Casey

cc:	Marie Beaudet	Charles Longreen
	David Marshall	Planning Commission
	Keith Espenshade	Light-Heigel & Associates
	Larry Spittler	Posted
	Thomas Shutt	Zoning Hearing Board
	Hawke, McKeon & Sniscak	LTL Consultants
	Curt Cassel	