

**EAST HANOVER TOWNSHIP BOARD OF SUPERVISORS MEETING
8848 Jonestown Road, Grantville, PA 17028
July 5, 2011**

The meeting of the East Hanover Township Board of Supervisors was called to order with the pledge to the Flag by Chairman Keith Espenshade at 7:00 P.M. Present were Supervisors Dave Marshall, John Nelligan, and George Rish. Tom Shutt arrived at 7:25 PM.

Scott Wyland, Solicitor; Norm Ulrich, Engineer; Charles Longreen, Director of Public Works; Curtis Cassel, Wastewater Treatment Plant Operator; and Deborah Casey Secretary/Treasurer were also present.

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

Fuel and Oil bids will be awarded at 7:30 PM

APPROVAL OF THE MEETING MINUTES FROM JUNE 21, 2011

Mr. Nelligan made a motion to approve the minutes as submitted. Mr. Marshall seconded the motion. The motion was approved 4 in favor, 0 opposed.

TREASURER’S REPORT

Expenditures

| | |
|-------------------|---|
| General Fund | \$ 92,169.04 |
| WWTP | \$ 33,945.32 |
| Gaming | \$ 210,703.18 – includes Clearwater from 6-21 |
| Street Light | \$ 427.95 |
| Park & Recreation | \$ 5,404.17 |
| Total | \$ 342,649.66 |

Mr. Marshall made a motion to pay the expenditures. Mr. Nelligan seconded the motion. The motion was approved 4 in favor, 0 opposed.

Receipts

| | |
|--------------|---------------|
| General Fund | \$ 225,534.33 |
| WWTP | \$ 4,859.00 |
| Park and Rec | \$ 1,540.00 |

Available Funds

| | |
|--------------------------|-----------------|
| General | \$ 441,654.70 |
| Operations & Maintenance | \$ 168,383.19 |
| Street Light | \$ 9,131.26 |
| State Fund | \$ 534,632.53 |
| Gaming Fund | \$ 812,046.96 |
| Public Sewer Fund | \$ 3,386.91 |
| Park and Rec Fund | \$ 99,186.67 |
| TOTAL | \$ 2,068,422.22 |

CORRESPONDENCE

The correspondence is listed as a handout and is available for review during regular office hours.

REPORTS

PUBLIC WORKS DEPARTMENT – CHARLES LONGREEN

Mr. Longreen presented his report for the month of May. It is available at the Municipal Building for review.

GRANTVILLE VOLUNTEER FIRE CO. – WAYNE ISETT

- The Carnival will be held at the end of the month.
- The Fire Co. Book is going to the printers. It is up to 116 pages this year. The businesses have been fantastic.
- QRS Medical calls, 219 for the year, Fire Co. response 138.
- Mr. Isett noted some of the key individuals for the new building are present to discuss the project with the Board. Mr. Paul McNamee, the consultant from Strategic Consulting; Larry Saylor and Doug Tilley of TKS Architects; and Mr. Paul who is responsible for the engineering and mechanical.
- Mr. McNamee noted he was retained by the Fire Co. in December of 2010 to help with facilitating the project. It was bid last year and the bids were rejected for various reasons. He came in, reviewed the project and provided recommendations to the Fire Co. to get the project back on track. An agreement has been reached with Bink Architecture to release them from the project. We have also retained a new architect for the project which is TKS Architect. TKS Architect staff had left Bink Architect several years ago and did some of the original design on the Fire House so they are familiar with the project. We have also retained Randy Paul Associates who were the original mechanical and electrical engineers on the project, the original structural engineer; and also Grove Associates the original site civil engineer. The plans were in good shape but needed completed and coordinated. Over the past few months TKS and the engineers have been updating the plans, coordinating the project, meeting with the Fire Co. and looking for areas where costs can be cut. We expect quality but at a reasonable price. Coordination was also done with the Red Horse Squadron who had done site work for the project since the plans did not take into account the work they had done. The plans are almost complete and under final review so that when the project is submitted for review it is in conformance. Professional liability insurance has been negotiated from the design team for the entire design. All the permits that have been issued to date have been reviewed along with any outstanding permits. Coordination has been done with utilities. The well will be drilled early to make sure the gallons per minute that are needed is there before the contractors start to build on the site so if the well needs to be relocated there will be no conflicts. Mr. McNamee continued to discuss the project.
- Mr. McNamee discussed the financing of the project. They met with the Dauphin County IDA. Andy Stein assisted in the discussion. Financing was discussed.

There is Gaming funds, the Fire Co. has a fund set up for part of the project, but they will still need to finance part of the project. The County IDA is agreeable to helping with the financing on behalf of the Fire Co. We are looking at an initial construction loan and then convert that to permanent financing once we know the exact cost of the final construction and the soft costs that go into it. The IDA was upbeat about helping the Fire Co. and will issue a RFP to various banks for financing. We encourage the Township to provide a list of the financial entities it would like to see proposals go out to. The construction cost is still estimated at around 2.4 to 2.5 million dollars. The plans should be ready to go out to bid within the next few weeks, but the financing needs to be in place before the contracts can be awarded. In talking to the IDA, we can bid the project while we are securing the financing as long as we get favorable interest to finance it. The IDA would prefer the Township guarantee the loan for the financing which would help us get a better interest rate. Discussion continued.

- Representatives of TKS provided sketch plans of the project and described each level. It was noted that in the future, the Fire Co. would like to put an addition on the upper level for a social room. Drawings and specifications are available if the Board wishes to review them.
- Mr. McNamee thanked the Board for allowing the time for the presentation and noted any Board members could contact him at any time for questions.

PUBLIC SAFETY ADVISORY COUNCIL – JOHN NELLIGAN

- The Council met last week. The members received reports for the PA State Police, SCEMS, and the Fire Co. After the reports, the discussion focused on the potential types of warning systems that might be introduced into the Township. Some proposals were looked at and a sub-committee was formed to further investigate the systems before the next meeting in September.

EMERGENCY MANAGEMENT – JOHN NELLIGAN

- There were no incidents involving Emergency Management.
- Mr. Nelligan noted his Deputy, Dale Powell completed the 15 courses required and has now received his Advanced Certification in Emergency Management.

WWTP OPERATIONS AND MAINTENANCE – CURTIS CASSEL

Mr. Cassel presented his report for June. It is available at the Municipal building for review.

ENGINEERS REPORT – NORM ULRICH

- The engineer's report has been prepared for June and is available at the Municipal Building for review.
- Preserve at Bow Creek – The project is moving forward slowly, they are putting in some sidewalks and some open space areas.
- Triple Diamond – This project is moving forward.
- Mama's Pizza – This project is close to being done.
- Comprehensive Plan and Budget - The final project scope and budget has been provided to the Board for review. Chairman Espenshade asked if this was all

being done under grant monies. Mr. Ulrich noted it was and you are still under the grant.

7:30 PM - AWARD OF THE FUEL AND OIL BIDS

Mr. Longreen noted he recommends the Board of Supervisors award the low bids as follows:

5,000 gal 87 Octane Unleaded gasoline to Richland Partners at \$3.1653 per gal.

Total \$15,826.50

12,000 gal ultra low-sulfur diesel fuel to Richland Partners at \$3.3716 per gal.

Total \$40,459.20

500 gal Kerosene to Richland Partners at \$4.1294.

Total \$2,064.70

60,000 Gal CRS2 emulsion to Hammaker East at \$2.339 per gallon

Total \$140,340.00

- **Mr. Marshall made a motion to award the bids per Mr. Longreen's recommendation; item 1, 2, and 3 to Leffler Energy and item 4 to Hammaker East. Mr. Nelligan seconded the motion. The motion was approved 5 in favor, 0 opposed.**

COMPREHENSIVE PLAN SCOPE OF WORK

- Mr. Marshall asked about the cost. He thought the limits were already reached. Mr. Ulrich noted the Comp Plan was one of the first projects started. The Grant approved was for \$104,422.00. The original proposal from LTL was \$69,340.00. There were a number of different water studies and the Township elected to hold off on finishing the Comp Plan until those studies were completed. Those studies have been completed and that information will be included in the Comp Plan along with the new census data. There was a little over \$7,100.00 in the budget of \$69,340.00 to complete the plan which is around 90% complete at this time. The scope of work includes the changes that have happened over the past couple months. Discussion continued on the cost.
- Mr. Stein noted there is plenty of money to finish the Comp Plan but the original \$69,000.00 estimate was LTL's costs. The County agreed to allow us to put Township administrative charges as part of the grant which brought the grant up to \$104,422.00. There will be enough to finish the plan, but it does not necessarily mean there will be money left over to transfer to another project. The reason the new estimate is higher is because there were present and past members of the Planning Commission that gave LTL some work that was out of scope. Discussion continued.
- **Mr. Nelligan made a motion to adopt the July 1, 2011 Comprehensive Plan proposal which is a revision to the project budget and schedule. Mr. Shutt seconded the motion. The motion was approved 5 in favor, 0 opposed.**

ERIC EPSTEIN

- Mr. Epstein provided the Board with a written report. It is available at the Municipal Building for review.

- The State budget appears to be done but it isn't. There are a number of issues that need to be revisited.
- HATS - The Rt. 743/Rt. 22 project is on track.
- Hanovers/Hershey CAT Study - Mr. Epstein met with Penn National and the issues they raised is they have unusual shift changes. A meeting will be held on July 19th for the CAT Study and TCRPC. Initially the study was going to target South Hanover and West Hanover. We are trying to have them at least study the possibility of having public transport come out to East Hanover.
- MOU – The Act 47 plan calls for using some of the Gaming revenues to help Harrisburg. When we negotiated the last MOU, we did not have that other external pressure. The preliminary meetings held with the County have been positive so far.
- Mr. Epstein discussed Dominion Energy Solutions energy rates. The Township may want to consider switching at a later time as infrastructure upgrades take place in New York and New Jersey and the rates go up.
- Mr. Epstein noted we were originally expecting a loss of around \$7,600.00 from the budget to deal with PA State Police training. The State Police got a 6% increase but the money wasn't derived from the area we originally thought it would come from. It does not look like there will be an assessment for State Police law enforcement and it looks like the training will come from Motor Vehicles.
- Mr. Marshall asked if CAT was just looking at taking the buses to the Casino or other areas. Mr. Epstein felt they would look at other areas and something like a Park and Ride. Discussion continued.
- Mr. Marshall asked about the MOU and spoke about Dan Miller speaking about Harrisburg could use some of the Casino money. He hoped Mr. Epstein was coming through loud and clear with the County Commissioners that the Casino is in East Hanover Township, Dauphin County and we have real needs because of that. Mr. Epstein noted one of the things he has already raised is that East Hanover, like other rural municipalities are already paying for some of Harrisburg's decisions with things like increased waste hauling fees. Discussion was held on the 1% County Tax that is being suggested. Mr. Marshall noted he didn't see how it would benefit the entire County if Harrisburg gets gaming funds. Our funds don't benefit the entire county but it benefits what goes on with the facility that is generating the revenue. We need to make sure the Township is taken care of. Discussion continued. Mr. Epstein noted a large amount of gaming revenue is going to the District Attorney to combat crime in the city of Harrisburg. He is trying to communicate that to the County. Discussion continued.

ANDY STEIN

- Mr. Stein asked if the Board wanted him to place the ads for the Township Manager. The prospective budget is around \$1,200.00 plus the cost for the Patriot News and The Sun.
- **Mr. Marshall made a motion to allow Mr. Stein to advertise in the list of papers and professional journals provided to the Board and use the ad he**

submitted with the suggested changes and include the Patriot News and The Sun. Mr. Nelligan seconded the motion. The motion was approved 5 in favor, 0 opposed.

- Mr. Stein has been working with Pete Carlucci regarding the financing for the sewer project. The documentation should be done within the next couple days. The holdup was getting PENNVEST to give us a payoff letter. That has now been received. Mr. Carlucci did determine the line of credit does require a debt ordinance and that is being worked on. Mr. Stein also mentioned to our Fulton Bank contact that the Fire Co. probably would be approaching them regarding Fire Co. issues.
- Mr. Marshall noted the Fire Co. wants the Township to co-sign with them for a loan. He asked if the Fire Co. is putting up any of its assets for collateral. Mr. Stein noted at the very least, they own the land and they would offer that and they have \$500,000.00 in cash to offer as well. It was noted the Fire Co. also owns other property. Mr. Stein commented Mr. Isett had mentioned the other properties and felt the Fire Co. was flexible as what they would have to do to secure the loan. Mr. Isett is also pursuing a 2% PEMA loan but that can't be taken into account since the timing won't work out but it could be used to pay down the capital. Mr. Nelligan noted that presents another problem which is the Fire Co. is looking at a \$1.5 million expenditure almost immediately for new fire apparatus. Where is that money coming from if it's not a PEMA loan.
- Mr. Stein noted the Fire Co. will also have to get a couple years of its financial statements together and have it audited. There are still a lot of outstanding questions that need to be answered and anything the Township signs for goes against its debt ceiling for borrowing capacity. In an ideal world, the Fire Co. would be financeable on its own so it doesn't go against our borrowing capacity and it would be a question of the best rate. His assumption is it is not going to be a question of a better rate for the Fire Co., but that they are not financeable without the Township guaranteeing the loan.
- Mr. Marshall noted he understands we have a borrowing limit and we currently have some things going on that affects the entire Township, as does the Fire Co., but we only have a certain size pot that we can draw from. There is no one the Board that wants to see the Fire Co. do without things it needs, but we also have to protect all the other interest we have. He would like to see as much collateral come from the Fire Co. as possible to protect the Township. Mr. Stein noted during conversations with the IDA, Mr. Isett brought up the other assets the Fire Co. has. The more collateral you put up may make the loan a better loan for the lender but it doesn't do anything to knock down the outstanding amount of the debt. If the Township's guarantees the loan, the collateral is the full faith in the taxing power of the Township. One of things being explored is whether the Fire Tax would be added to the revenue stream that would increase the Township's ability to borrow. Discussion continued. Mr. Stein felt the real issue is how we most effectively support the Fire Co., the debt for it, the additional equipment, and balance that against the Township's borrowing capacity since we know there are some rather large sewer issues in the future.

- Mr. Marshall would like to see all the options we have to support the Fire Co., and what they can support on their own and present it before the Board makes a final decision. Mr. Stein noted during the discussions with the IDA, he indicated the Board can't just look at this as financing a Fire house; there is all the other equipment and the other debt the Township is going to be looked on to support. The Fire Co. is going to have to balance what may not be the best loan for the Fire Co., but the best loan for the overall debt structure of the Township. Mr. Marshall noted what we don't know is how well we are going to do with the gaming funds next year. If we don't get the money we should have from the Gaming Funds to increase our infrastructure and keep it maintained, we still have to do it. Mr. Stein discussed Harrisburg, the incinerator and how there is going to be a significant cash flow crises coming at the County level at some point.

UNFINISHED BUSINESS

TCRPC MEMORANDUM OF UNDERSTANDING

- It was noted the MOU was referred to the Planning Commission and was discussed at its last meeting. The PC did not recommend approval of the MOU.
- Solicitor Wyland noted there has not been consensus among all the Municipalities of the various counties as to how to handle the MOU. He is reluctant to make a specific recommendation. It would not be out of line to simply not act on it at this time.
- Chairman Espenshade felt we already try to do what is in the agreement. Solicitor Wyland noted the conflict is should the Tri-County Regional Planning Commission as an entity be entering into direct agreements and MOU's with individual municipalities in the tri-County area or should the individual municipalities be working with their own County Planning Commissions.
- **Mr. Nelligan made a motion to table action until we hear further from Tri-County. Mr. Marshall seconded the motion. The motion was approved 5 in favor, 0 opposed.**

NEW BUSINESS

PENN NATIONAL LETTER OF CREDIT

- Mr. Ulrich noted an escrow release was received from Penn National Gaming dated June 2nd. LTL reviewed the issue and provided a response on July 1st. He is recommending all but about \$300,000.00 be released. The bulk items have been completed. A lot of the items in the letter are safety concerns. Penn National has 3 applications going on in one site. In January of 2010, they requested a punch list for outstanding items. They did complete some of the items, but the majority they did not. Mr. Ulrich contacted the engineer responsible for the project and discussed the July 1st letter and suggested a site meeting. They may say some of the items in the letter are not on the plan, but LTL wanted to put it into letter format to protect the Township. LTL is recommending a release of \$1.5 million.

- Solicitor Wyland noted late this afternoon, he received a communication from Penn National's counsel saying that they feel like they have support for the entire release; however, they acknowledged Norm's position and request we act on the \$1.5 at this time and will follow up with Mr. Ulrich on the other issues.
- **Mr. Rish made a motion to release Penn National's escrow in the amount of \$1,510,779.00. Mr. Marshall the motion. The motion was approved 5 in favor, 0 opposed.**

SHIRK CONSERVATION EASEMENT AGREEMENT

- Solicitor Wyland noted the agreement has been reviewed and changes made, but is not ready for action. The suggested revisions were sent to the attorney for Mr. Shirk. Late this afternoon, he received an e-mail incorporating the changes, but Solicitor Wyland did not have the opportunity to review them. In the next couple days, he will forward an updated agreement with an explanation so that it can be acted upon at the next meeting.

IRS – INCREASE IN MILEAGE RATE TO 55.5 CENTS PER MILE

- **Mr. Rish made a motion to increase the mileage reimbursement rate to the IRS amount of 55.5 cents per mile, effective July 1, 2011. Mr. Nelligan seconded the motion. The motion was approved 5 in favor, 0 opposed.**

OTHER BUSINESS FROM THE BOARD

There was no other business from the Board.

BUSINESS FROM THE PUBLIC

Richard Schock noted that a meeting was held with Representative Marsico, his aide, and PennDOT Engineer John Bachman. Mr. Schock initiated the meeting. The issue was the closing of N. Faith Rd. Paul Herr and Mr. Wert also attended the meeting. They have issues and concerns about their situation on S. Faith Rd. It was a good meeting and issues about safety and traffic were discussed. During the course of the meeting, Representative Marsico asked to meet with the Supervisors on site and Mr. Schock agreed to talk with the Supervisors. Mr. Schock is requesting a meeting with some Supervisors on site and he will schedule it with Representative Marsico.

- Mr. Marshall asked what the time frame would be for the meeting. Mr. Schock noted if he was provided with times, he would contact Representative Marsico.
- Mr. Rish noted he would provide some times, Mr. Marshall commented if Mr. Schock provided him with times, he would see if he could make it. It was noted Mr. Schock will communicate with Mr. Rish to set up the meeting.

Ed Shirk commented on the Shirk Conservation Easement Agreement. He noted he received the revised copy earlier today. Much to his dismay, the changes made to the agreement were all grammatical errors. He asked Solicitor Wyland if the changes made involved the content of the agreement.

- Solicitor Wyland noted he was out of the office and Steve Haas was overseeing the review. Mr. Haas made the changes and Solicitor Wyland agreed the

changes were technical and not substantive. He asked what sort of timeline Mr. Shirk was on and asked if the Board could act at the next meeting.

- Mr. Shirk noted it could be voted on at the next meeting, but he is weary of the legalese. He expressed his dismay on the technical changes to the agreement since it does not change the context of the agreement.
- Solicitor Wyland noted the agreement was sent to the Township for review. In the course of our review, we did what we would normally do and “brush up” the agreement. He hoped Mr. Shirk did not take offense to the corrections and felt the changes made for a neater agreement.
- Mr. Shirk indicated the changes did not make any changes to the content and there is always several ways to say something. He looked at the document and said he could have seen where it could have been said that way, but does that require another 2 week setback for approval? He just wanted to express his dismay towards the process.
- Solicitor Wyland noted he would expedite his review and get the agreement to the Board for review. He thanked Mr. Shirk for his patience.

Mr. Ulrich noted the bridge is close to completion and the tentative schedule is to have the road opened by the end of next week. The West Hanover side is going as planned.

Mr. Nelligan made a motion to adjourn the meeting. The meeting was adjourned at 8:36 PM.

Respectfully submitted,

Deborah A. Casey

cc: Keith Espenshade
John Nelligan
Dave Marshall
Thomas Shutt
George Rish
Hawke, McKeon & Sniscak
Curt Cassel

Charles Longreen
Planning Commission
Light-Heigel & Associates
Posted
Zoning Hearing Board
LTL Consultants
Eric Epstein