

EAST PENNSBORO TOWNSHIP  
BOARD OF COMMISSIONERS  
JUNE 1, 2016

Regular Meeting

7:00 p.m.

A Regular Meeting of the East Pennsboro Township Board of Commissioners was held on Wednesday, June 1, 2016, at 7:00 p.m. at Creekside Fire Company, Enola, Pennsylvania.

Those present were: Commissioners - John Kuntzelman, President; Paul Hartman, Vice President; Kristy Magaro, Charles Gelb, and George Tyson; John Pietropaoli, Township Manager; Lisa M. Coyne, Esquire, Township Solicitor; John B. Owen, Codes Enforcement Officer; Jared Hockenberry, Township Engineer; Dearan Quigley, Zoning Officer; Mike Dobson, WWTP; Chief Todd Bashore, Police Department; and Erik Owen, Fire Marshal.

I. CALL TO ORDER

President Kuntzelman called the meeting to order at 7:00 p.m. A moment of silent meditation was held for Firefighter Bryington, who passed away recently, and all firefighters and emergency personnel, followed by the Pledge of Allegiance to the Flag.

II. APPROVAL OF MINUTES

MOTION approving the minutes of the Regular Meeting of May 4, 2016, was made by Mr. Tyson, seconded by Mr. Hartman, and was carried by a unanimous aye vote.

III. APPROVAL OF REPORTS

MOTION approving the Police Report for April 2016, was made by Mr. Hartman, seconded by Ms. Magaro, and was carried by a unanimous aye vote.

IV. PRESENTATIONS

Commissioner Tyson presented a citation to Jacob Mundis, Troop 51, upon receiving his Eagle Scout award, and thanked him for his community service to East Pennsboro.

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Cumberland County Commissioner James Hertzler and Bob Shively, Director of Public Safety for Cumberland County, made presentations to East Pennsboro Township emergency services workers for their work during Winter Storm Jonas just a little over four months ago when the area was buried under 3 feet of snow. As Winter Storm Jonas started, the county activated its Emergency Operations Center, and those at the local level took similar actions.

The County Commissioners thanked the township emergency services workers on behalf of a grateful county for all of the unsung heroes who are on call 24/7 and went above and beyond to help neighbors in need during the storm. Commissioner Hertzler noted East Pennsboro is Cumberland County's second largest municipality with a host of selfless volunteers such as Dale and Sue Crossland, who were able to help deliver life-sustaining medication to a snow-bound township resident during the height of the storm and only succeeded after getting stuck in the snow several times and had to be dug out by township crews.

Certificates of recognition were presented to Erik Owen, Fire Administrator, and John Breutsch, Public Information Officer, for their dedication to emergency preparedness and having the foresight to pre-plan for the Jonas storm emergency to get the township EOC up and running throughout the storm to help coordinate the use of the township's snow removal assets to aid residents for medical assist calls.

Mr. Shively noted they take a lot of calls at the county's 911 and Emergency Operations Centers, and they would be helpless without the responders in the field to pass those on to municipalities. People call in need of medicine or emergencies, and emergency services responders take those calls without any complaint for hours on end. That is what makes it great to live in East Pennsboro and Cumberland County. Commissioner Hertzler noted he was fortunate to serve as Township Commissioner for 24 years and knows the dedicated service emergency service responders provide. It is the work of emergency services and township crews that makes life better for residents.

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Certificates were presented to the board for Ricky Brubaker, who heads the township road crew, and for Skip Magaro and Mike Dobson. Township crews were able to tackle the Herculean task of removing 3 feet of snow from the roads of East Pennsboro Township, proving once again that East Pennsboro Township has one of the best snow removal operations in the entire county.

President Kuntzelman, on behalf of East Pennsboro Township, thanked the county for recognizing the efforts of emergency services and township crews.

Mr. Paul Lundeen of Rhoads & Sinon LLP, and Mr. Zach Williard of Public Financial Management, made a presentation for refinancing existing township bonds and notes. Mr. Williard noted back in May the township gave authorization to solicit proposals for bank loans from local and statewide banks to see what kind of interest rate savings could be generated for the 2007 bonds, with only two years left on that small amount, the 2009 bonds with Integrity Bank, and the 2010 Series B bonds, and report those results. The top two responses were PNC Bank, who offered a fixed rate of 1.67 for the life of the bond, which is only about five years, which generates approximately \$138,000 of savings. He noted given how short the bonds are, that is a lot of savings. The seconded bid was from Jonestown Bank, with an interest rate of 1.95 for the life of the loan, generating about \$111,000 in savings. The PNC Bank loan had some covenants attached to it, whereas the Jonestown Bank bid did not have any covenants. PNC's covenants give a lot of flexibility to the bank and less to the township.

He suggested if the township decides on either one, they would like to get an ordinance approved to get the interest rate locked in the week of June 13. If the board held a Special Meeting on June 13, it could approve the borrowing ordinance which would lock in the low interest rates and the loan would actually settle about five weeks from then. As the Fed is talking about raising rates at their June meeting, these rates may not be offered for long.

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PNC's covenants contain provisions that can accelerate the payment provision of the loan, which means in the future if the township were to make a payment one day late, they reserve the right to consider it a default and accelerate their payments, which leaves future risk for the township. Another covenant is a change of law cost provision. Washington changes banking regulations and if any of those were to change and PNC thinks it affects their cost of funds for this loan, they are reserving the right to pass those costs on to the township. It may never happen and this transaction is only five years long, but a lot of things can happen in five years and nothing can be certain. The pros of the PNC loan is it saves about \$25,000 more; the cons are there are things that leave the township open over the next five years to costs such as rate increases, fees, and accelerated payments.

The board has an option to go back to PNC to see if they will waive or change some provisions, but in order to lock in rates, they would have to keep the process moving and approve an ordinance on June 13 before the Fed meets so it does not give the banks any reason to change the rates that are offered.

Mr. Williard noted the savings received are budgetary savings. Because the interest rate will go down, the new payment will go down, for the PNC bid saving \$58,000 in the 2017 budget year, \$72,000 the following year, and break even thereafter. The money not spent on loan payments can be used for other projects. The board discussed the PNC covenants and what ramifications they would have, as well as whether PNC would remove or change some of them.

Mr. Lundeen noted with the tight timeline he would draft the ordinance and have it ready 3 days before the June 13 meeting, so there are only 9 days to go back and forth between PNC. They would not ask them to change the interest rate but would ask about removing some covenants. PNC said they will hold this rate provided that by June 13 the Board of Commissioners agrees to and signs a rate lock agreement, which imposes a penalty to be paid if for any reason the township has not closed by July 22.

Mr. Williard noted they are providing worst-case scenarios because they have to be conservative and advise the board of any potential adverse actions. Mr. Lundeen stated he has worked with Jonestown Bank for many years, and their bid will be as simple as it is written. They will want the township to provide a copy of the budget and annual financial statements, and they may have a provision that in case of a late payment, you have 10 days' grace period and they can charge a 5-percent or 1-percent late payment charge.

Mr. Lundeen told the board if they want to further investigate the PNC proposal, he asks for authorization for the financing team to negotiate with PNC on some of these provisions, and if they cannot get that done in the next 5 days, they are to prepare the ordinance on the Jonestown Bank proposal. Mr. Williard noted the township is fortunate to be choosing between two good options.

The consensus of the board was to go with the Jonestown Bank proposal. While there is a slightly lower amount of savings, there are no contingencies. Mr. Pietropaoli noted when they first started to look at better rates, they would be grateful for anything under 2 percent.

MOTION adopting Resolution no. 2016-08 of the Township of East Pennsboro, Cumberland County, accepting the bid made by Jonestown bank to refinance \$4,600,000 in prior 2007 General Obligation Bonds, 2009 General Obligation Note, and Series B of 2010 General Obligation Bonds, was made by Mr. Tyson, seconded by Mr. Hartman, and was carried by a roll-call vote of 5-0.

MOTION to advertise a Special Meeting for June 13, 2016, at 6:00 p.m. in the township building, was Mr. Hartman, seconded by Ms. Magaro, and was carried by a unanimous aye vote.

Mr. Lundeen noted by Thursday he will prepare the advertisement for the ordinance, in accordance with the sunshine notice, and get it to the paper, as well as make

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it available to the Commissioners and for public display. That will give public notice of procedure for the Local Government Unit Debt Act.

Mr. Charles Courtney from McNees, Wallace & Nurick, addressed the board about two proposed zoning text amendments. One amendment for Senate Plaza seeks to add additional uses to the Office-Apartment district. The amendment is being proposed in connection with the possible redevelopment of the Senate Plaza site. The existing office building was built in the 1970s and is deemed to be functionally obsolete. A number of entities have looked at the building for reuse, but it is not suitable for reuse as office and is not marketable. What they are left with at that site is demolition and redevelopment.

In terms of prospective reuse, office use is not great. The site has central location and great visibility, which lend itself to a smaller scale retail development. They have a plan that includes a number of retail and restaurant uses. The plan reflects one access on Erford Road, and an access on Senate, House, and Poplar Church. There are currently two accesses on that site off of Erford Road, which they would be looking to reduce to one in terms of access management. Traffic will be the number one item to tackle on the project.

In terms of the text amendment, it adds some additional uses to the Office-Apartment district. Restaurants are already permitted in that district. Retail establishments are being added to that district, convenience stores, and it also adds a shopping center. The definition in the Zoning Ordinance is a group of two retail stores, and because they might be in a position where they have a configuration that looks like a shopping center, they added that in the text. Another provision clarifies retail stores and personal services under the ordinance. The ordinance lists retail stores and personal services under conditional uses, not principal uses. Elsewhere in the ordinance it says those retail stores and personal services are permitted only as incidental elements to offices. They clarified that section so that reading

that provision makes it clear that it is retail stores and personal services that are incidental to a permitted office use.

Mr. Tyson noted one significant challenge in that corridor is redevelopment. Additionally, PennDOT will be widening the Erford Road bridge, and part of the request to PennDOT was the need to redevelop that corridor, which would likely would turn out to be a different footprint of establishment as opposed to what is there now. Looking at the population demographics, that is a prime location to service not only East Pennsboro Township but other neighboring communities. If you live in that area, you have to drive pretty far to get to a grocery store, restaurant, or drugstore.

Mr. Pietropaoli noted he is looking at a public hearing for July 6 for the text amendment.

Mr. Courtney discussed another Zoning Ordinance text amendment also to the Office-Apartment district modifying the parking standard for continuing care retirement community uses. The intent of the amendment is to right-size the parking space requirements for that particular use. This amendment is being proposed in connection with the development of the Hempt property along East Penn Drive. The site consists of about 95 acres. The Office-Apartment district provides for a mixed use project involving several different types of uses. The left side of the property could be higher end market rate multi-family dwellings with a clubhouse facility. To the right could be a small retail component, but that could change. Behind that would be a rehabilitation facility, a further building would be an office building perhaps with medical offices, and a facility behind it will be a continuing care retirement community use. Under the ordinance, that use is defined as a facility that provides for a continuum of care: Independent living, assisted living, and then nursing care. The ordinance requires this facility to have 352 parking spaces, which is far in excess of industry standards for this type of use, as reflected by neighboring municipalities such as Hampden Township, and the Institute

of Transportation Engineers, where they have a database of parking for all types of uses which suggests the current requirement is outdated by requiring double the amount of spaces.

They propose a parking standard that identifies parking requirements based upon different components of the use. The end living portion of the site would require one space per dwelling unit. The assisted living portion and the nursing portion would require one space per three beds, along with an employee requirement of one space per employee. They target the different components with this standard as 176 parking spaces required. Mr. Hartman asked if this ordinance change would only be for assisted living and not for the site. Mr. Courtney concurred, just for the continuing care retirement unit. Mr. Tyson noted during the most recent Comprehensive Plan review, it was brought up by residents that there is not a retirement or assisted living facility in the township.

MOTION authorizing the Township Solicitor to prepare and advertise the notification for a public hearing to be held on July 6, 2016, at 6:30 p.m., regarding the McNees, Wallace & Nurick LLC zoning text amendments, was made by Mr. Hartman, seconded by Mr. Tyson, and was carried by a unanimous aye vote.

V. BUSINESS FROM THE FLOOR

There was no business from the floor.

VI. ITEMS FOR DISCUSSION AND APPROVAL

MOTION authorizing payment of invoices and payroll pending review and signatures of Commissioners, was made by Mr. Hartman, seconded by Ms. Magaro, and was carried by a unanimous aye vote.

MOTION to approve Resolution no. 2016-07 honoring Jacob Mundis on completion of his Eagle Scout award, was made by Mr. Tyson, seconded by Ms. Magaro, and was carried by a unanimous aye vote.

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The board then reviewed the final subdivision plan for Ronald W. and Gloria L. Smith and East Pennsboro Township for Adams-Ricci Park.

Mr. John Owen explained the plan consists of a land swap of property. A number of years ago the township put up a cell tower next to the basketball courts, and have since been informed by the Department of Community and Economic Development that due receiving grants for the park, the township cannot make profit from that. The township is swapping land with Mrs. Smith for similar value land. The existing compound is 1,590 square feet, and they are proposing to replace that with 1,596 square feet of Mrs. Smith's property. There is a covenant on the plan that says the township cannot do anything with it but use it as park land, and they cannot make any money from it.

The Planning Commission recommended approval at their May 12 meeting. There are three waivers on the plan: One for location of existing proposed water supply, hydrants, and wells; another for zoning data; and a third for location of existing facilities and parking. Mrs. Smith does not plan on doing anything with the property she is gaining, and the township will not be doing anything with the property it is getting.

Grant status requires no profit be made and the land, and it can never be sold as building lots. Mr. Hartman asked if the land now where the cell tower is will revert to township ownership. Mr. Pietropaoli noted it will, but it cannot count in as acreage for the grant or it may lose its tax-exempt status. Currently, only the improvements are taxed because the improvements are owned by a cell tower company, but the land is not.

MOTION to approve the final subdivision plan for Ronald W. and Gloria L. Smith and East Pennsboro Township for Adams Ricci Park was made by Ms. Magaro, seconded by Mr. Hartman, and was carried by a unanimous aye vote.

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MOTION to reject all bids for the Susquehanna Avenue sanitary/storm sewer system replacement project, was made by Mr. Hartman, seconded by Ms. Magaro, and was carried by a unanimous aye vote.

MOTION to approve a temporary road closure of Park Avenue between Second Street and Third Street in the Village of Summerdale for a community block party July 16, 2016, from 5:00 to 9:00 p.m., as recommended by Chief Bashore, was made by Mr. Tyson, seconded by Mr. Gelb, and was carried by a unanimous aye vote.

President Kuntzelman thanked Creekside for hosting the meeting this evening.

MOTION directing the Township Manager to maintain vacant properties and lien the properties of all expenses, on an as-needed basis, was made by Mr. Tyson, seconded by Mr. Hartman, and was carried by a unanimous aye vote.

MOTION to adjourn the meeting at 7:40 p.m., was made by Mr. Tyson, seconded by Mr. Hartman, and was carried by a unanimous aye vote.