

MINUTES

LEGISLATIVE MEETING – JULY 16, 2014

The July 16, 2014 Legislative Meeting of the Lower Swatara Township Board of Commissioners was called to order at 7:00 P.M. by President Thomas L. Mehaffie III. President Mehaffie called for the pledge of allegiance followed by a moment of silence. Roll call was then taken.

The following officials were in attendance:

- Thomas L. Mehaffie III, President
- Jon G. Wilt, Vice President
- Laddie J. Springer, Secretary
- Michael J. Davies, Commissioner
- Dominic D. DiFrancesco, Commissioner
- Samuel D. Monticello, Manager
- Robert S. Greene, Planning and Zoning Coordinator
- Alan J. Knoche, EMA Director
- Peter R. Henninger, Solicitor
- Erin G. Letavic, Engineer
- Jean R. Arroyo, Recording Secretary

Residents and visitors in attendance: (PLEASE SEE ATTACHED SIGN-IN SHEET)

President Mehaffie opened the floor for public comment.

PUBLIC COMMENTS: None

APPROVAL OF MINUTES:

A motion was made by Commissioner Davies, seconded by Vice President Wilt, to approve the Minutes of the June 18, 2014 Legislative Meeting. The motion was unanimously approved.

A motion was made by Commissioner DiFrancesco, seconded by Commissioner Davies, to approve the Minutes of the July 2, 2014 Workshop Meeting. The motion was unanimously approved.

APPROVAL OF BILLS:

A motion was made by Commissioner Davies, seconded by Vice President Wilt, to approve the payment of bills as presented on Warrant No. 2014-6. The motion was unanimously approved.

APPROVAL OF TREASURER'S REPORT:

A motion was made by Vice President Wilt, seconded by Commissioner Springer, to approve the Treasurer's Report for June 2014. The motion was unanimously approved.

ENGINEER'S REPORT:

Erin Letavic, HRG, stated that she had provided the Board with a copy of the Engineer's Report, and would be happy to answer any questions. There were no questions posed by the Board.

President Mehaffie stated that Tim Edwards of HIA and Fred Sembach, the Township's representative on the SARAA Board, had made contact to discuss options for the flood mitigation. In 2004, the Township had HRG prepare and design some possible solutions for the flooding in the lower end of Jednota Flats. Recently, HIA also had a report prepared by Urban Engineers offering some solutions. A meeting was recently held to discuss these options. As a result, HIA is asking the Township to put the suggested design solution in a resolution format or provide some sort of acceptance of it.

Ms. Letavic stated that she will summarize the previous engineering completed at the Township's expense after Hurricane Ivan, discuss the new engineering conceptual report that was put together and paid for by SARAA through FAA grant funding, and then explain the resolution that SARAA has proposed for Board action which provides recommendations from SARAA to the Township.

Ms. Letavic explained that what is being discussed is the area around Lisa Lake. The area to the right contains some of the hazard mitigation grant properties which were acquired and demolished as part of the flood mitigation plans. In 2004, Hurricane Ivan dumped 7" of water in twelve hours, with significant flooding in the region. Jednota Flats had several feet of water, and Route 230 was temporarily closed. As a result of this flooding, the Jednota Flood Study Committee was formed. Mr. Knoche and other staff members were a part of this

committee, as were Representative Payne, Middletown Borough, SARAA, Penn State Harrisburg, PennDOT, 193rd Special Operations Wings Air National Guard, Olmsted Plaza, Highspire Homes, Librandi Machine Shop, and HRG. The Committee discussed possible solutions, and the Jednota Flood Study was finalized by HRG in 2007. The study came up with several alternatives and a final recommendation. Ms. Letavic showed the Board maps of the two watersheds that were studied by HRG and the Airport, one associated with Stoner Run and the other associated with Post Run. Each of the alternatives was described, as well as the ultimate recommendation. The price range for each is an estimate based on the magnitude of the storm. Alternative A – Supplemental Pipes, was estimated at \$5.6 million to \$13.5 million. Alternative B – Pump Station & Discharge Pipe, was estimated at \$3.9 million to \$7.9 million. President Mehaffie asked if there would be a cost factor in maintaining this pump station.

Ms. Letavic agreed there would be. It would require long term maintenance and power commitments. She added that these figures are also in dollars from seven years ago.

Alternative C – Detention Ponds, was estimated at \$1.7 million to \$2.4 million, Alternative D – Airport Diversion Pipe, was estimated at \$1 million to \$2.3 million and Alternative D – Jednota Flats Diversion Pipe, was estimated at \$2.5 million to \$5.9 million. What was ultimately recommended was a combination of three of the concepts. The study recommended a flood mitigation system, at an estimated cost of \$6.9 million, which would consist of three detention ponds (100-year storm), diversion pipe (2-year storm), and two pumping stations (2-year storm and 5-year storm).

Vice President Wilt asked who would be financially responsible for these improvements, and whether grant funds would be available. Ms. Letavic explained that her understanding is that the FAA has provided grant funding to the Airport Authority for additional engineering design. Vice President Wilt asked if this includes construction and maintenance costs. Ms. Letavic responded that it does not. Those costs would fall on the local municipality, which may mean a shared cost responsibility between Lower Swatara and Highspire, depending on the location of the design. Vice President Wilt stated that it sounds like it will end up costing the Township too much money.

Solicitor Henninger added that when the Board discussed this in 2007, it was agreed that the biggest concern was protecting the residents in the Jednota Flats area. The reality was that it was cheaper to buy and demolish the properties than do any of these alternatives. Ms. Letavic

agreed that this has been the Township's stance until this newest engineering study from Urban Engineers came along.

Commissioner Davies observed that most alternatives involve running drainage pipes through or under SARAA property. He asked if the plans would require the cooperation of the Airport Authority. Ms. Letavic confirmed that it would. Commissioner Davies asked if the Airport would participate in a financial way. President Mehaffie stated that SARAA has expressed its willingness to help find grant money to assist with these projects. However, maintenance of any pump stations would be an ongoing expense to the Township, and one that would not be covered through grants.

Commissioner DiFrancesco expressed concern about running pipe under the Conrail right of way, which is involved in most of the alternatives. Ms. Letavic agreed this will most likely require boring, which is expensive and will result in time delays due to coordination. Solicitor Henninger added that PennDOT would also require the Township to bore under Route 230.

Ms. Letavic reported that HIA also had a Preliminary Flood Study performed of the Stoner and Post Runs. This report was prepared by Urban Engineers and finalized in 2014. It proposed the following alternatives: (1) partially divert Stoner Run floodwater, (2) modify the flood ordinance to increase development restrictions in the flood plain, (3) create an Open Space Flood Zone (property acquisition) which has basically been the Township's communication to SARAA all along, (4) establish flow west to the canal west of White House Lane, (5) pump station associated with diversion pipe, or (6) the final option of doing nothing. Ms. Letavic presented a design of the concept that is being recommended by Urban Engineers, which was estimated to cost \$1 million. A very small detention pond would collect water from Stoner Run as it floods. From there, it would go into a pipe that would follow down Whitehouse Lane, cross underneath Route 230, and discharge into another small detention facility. A 36" pipe is being considered, as well as the construction of one detention facility. The next step is for SARAA to utilize the FAA grant that it has secured to at least get to the preliminary engineering phase of it. In response to a question from President Mehaffie, Mr. Knoche confirmed that there is a Sunoco pipeline and an Enterprise pipeline in this area.

Ms. Letavic explained that SARAA is considering a resolution which would include recommendations to the Township. These recommendations include the Township attempting to

secure funding for construction and maintenance of any infrastructure proposed in the design, proper maintenance of the Airport Connector pipes maintenance, and revision to the Township's Open Space ordinance.

President Mehaffie asked how many properties were acquired by the Township as a result of Lee. Mr. Knoche stated that two were acquired after Ivan, and six after Lee. Everyone north of Locust Avenue was offered a buy-out, although some chose not to accept it and some withdrew during the process. Six homes remain, and of those two were elevated.

President Mehaffie summarized the recommendations that the Airport would like to see in a resolution: (1) research should be conducted to ascertain when and why the Stoner Drive hydraulic connection was blocked, (2) Lower Swatara Township should coordinate with the Borough of Highspire and the Commonwealth of Pennsylvania to evaluate funding sources for the construction of an alternative Stoner Run diversion, (3) preliminary plans for the Stoner Run diversion alternate should be advanced, (4) Lower Swatara Township should modify its flood ordinance consistent with the flood mitigation open space goals otherwise described in the report. Mr. Knoche explained that two years ago, the Township was required by FEMA and NFIP to update its flood plain management ordinance. If this had not been done, everyone that had a flood policy in the Township would have lost that policy. The wording of the revised floodplain ordinance states that if a house in a flood plain is substantially damaged after a flood (which means it would cost half as much to fix it as it is worth), the homeowner would have three choices only: pick up the house and move it out of the floodplain, pick up the house and elevate it 18 inches above the base flood elevation, or demolish it. If the homeowner does not do any of these three things, after the next flood they will not receive any insurance money or be eligible for PEMA or FEMA funds. Basically, the federal government is tired of paying for the same homes over and over again. Vice President Mehaffie continued that the final recommendation is (5) keep coordinated effort with the Township and coordinate with PennDOT on the Airport Connector for proper maintenance. President Mehaffie noted that HIA has done an excellent job of moderating when those gates should be open or closed. Tim Edwards and the SARAA Board have kept an open dialogue with the Township.

President Mehaffie reiterated Solicitor Henninger's comment that it is usually cheaper to buy out properties than do any of these improvements. Commissioner DiFrancesco added that it is very important to remember that these scenarios do not prevent the flooding, but help alleviate

the recovery from it. Ms. Letavic agreed that the suggested concepts may reduce the duration of the flooding, but not necessarily the severity or the area involved.

Commissioner Davies asked if there was any thought given to the existing canal basin in Highspire and where that drains. Ms. Letavic noted that it has not been part of the discussion. Mr. Knoche explained that it would go to Burd Run, which also floods. Homes on the east side of Lumber Street are already impacted by this during heavy rainfall. Commissioner DiFrancesco also commented that the recent changes in the flood insurance laws will take care of some of these problems. Understandably, the impacted residents may not like the resolution, but the bottom line is that anytime water is diverted it will cost a fortune. This is a floodplain, and flooding cannot be prevented from occurring. President Mehaffie agreed, and added that when you divert water, it impacts other areas. He also stressed the importance of including Highspire in future discussions if any of the concepts being considered will impact the Borough.

Commissioner Davies stated that it is important to keep in mind that the one drainage route that was built underneath the former air force base has proven historically to be inadequate in terms of capacity. It would be shortsighted to ignore the benefit of increasing its capacity. While some of the other suggestions will help, there is still a discharge capacity issue there. This drainage system was probably installed in the 40's. Mr. Knoche agreed that there is a single 60" pipe that drains that entire area. That is the pipe that has a valve that the Airport can close if it is threatened with flooding. There used to be an additional means of drainage relief, which was a large "subway" area. The Airport, however, has closed that off which means that additional relief is gone. Vice President Wilt asked if this subway-type tunnel is closed off permanently, as it would seem a logical avenue to alleviate some of the water problem. Mr. Knoche confirmed that it is. He explained that the Airport closed it to protect the 193rd Special Operations Wing and the Airport assets during the floods. Commissioner DiFrancesco stated that he would like to see the benefit of increasing this drainage system. Commissioner Davies agreed that he does not want to spend public money needlessly, but again stated that the Township would be shortsighted if it did not address this bottleneck circumstance. He added that there are businesses in this area. If this whole area could be made a little dryer, perhaps it would be more developable in terms of business expansion. Not at least trying to increase this drainage flow could damage the viability of the Route 230 corridor that goes through the Township.

President Mehaffie suggested another meeting be coordinated with SARAA to discuss some of these suggestions before moving on the resolution. Highspire Borough should also be invited. Vice President Wilt agreed, and stated during the meeting he sat in on with SARAA, there seemed to be a big discrepancy of opinions between the Township and Urban Engineers on the flow of water. Ms. Letavic stated that the concept in question is whether or not Stoner Run is forced to join the watershed of Post Run before it ultimately discharges south of Route 230. They see a different drainage pattern. She noted that her stance, however, is that whether or not they agree on the pattern, the outcome and proposal remains the same.

Mr. Monticello and Ms. Letavic were requested to coordinate a meeting with the Airport, and also invite the Highspire Borough Manager.

SOLICITOR'S REPORT: No report

MANAGER'S REPORT:

Mr. Monticello requested Board action tonight on Resolution No. 2014-R-8. This relates to the request for a Greenways, Trails, and Recreation Program (GTRP) grant not to exceed \$250,000 from the Commonwealth Financing Authority to be used for Shopes Gardens and Old Reliance Park Improvements. Mr. Monticello added that there is a \$100 application fee that must be forwarded to the Commonwealth Financing Authority, and asked if this should be inserted into the resolution. Solicitor Henninger agreed that the resolution could be amended to include this fee. A motion was made by Commissioner DiFrancesco, seconded by Vice President Wilt, to approve Resolution No. 2014-R-8, which requests a Greenways, Trails, and Recreation Program (GTRP) grant of an amount not to exceed \$250,000 from the Commonwealth Financing Authority to be used for Shope Gardens and Old Reliance Park Improvements, with the insertion of language that an \$100 application fee will be included with the submission. The motion was unanimously approved. Commissioner DiFrancesco referenced the future development of the Route 230 corridor, and stated that it is important to remember that the Township will need to think about what grant funding will be available for major projects that may be able to tie this area in, such as trails.

Mr. Monticello reported that Lower Swatara Township is now a certified auto inspection service station. President Mehaffie stated that this means that the Township can inspect all its

vehicles in-house. Mr. Monticello congratulated the Public Works Department for pursuing this idea and submitting the necessary paperwork. Vice President Wilt added that it also helps that the newly hired mechanic is certified to perform inspections.

Mr. Monticello requested an executive session immediately upon conclusion of this evening's meeting in order to discuss personnel issues.

President Mehaffie referenced the list of upcoming meetings, and noted that the Planning Commission Meeting is now cancelled since no new plans were submitted.

COMMITTEE REPORTS:

Police Committee – Vice President Wilt – stated that he was surprised to receive a report from Chief Brandt indicating that the recent homicide on the news involving Erica Klinger happened right here in the Township, at the Hollywood Motel. Vice President Wilt also reported that two of the police officers have registered to attend a Truck Weights and Measures training class in August. This will give them the proper certification to perform inspections on overweight trucks.

Public Safety – Commissioner Springer – no report

Budget and Finance – Commissioner Davies – stated that he and Commissioner DiFrancesco recently met with the Fire Department to look over its budget numbers for the coming year. It was good to communicate with each other and hear the Fire Department's plans and needs. He also reminded the Board that budget season is fast approaching. The Commissioners were asked to talk to the departments they interface with as committee heads to determine needs for 2015.

Community Development – Commissioner DiFrancesco – reported that as mentioned by Commissioner Davies, he also attended the meeting with the Fire Department to discuss budget figures. He noted that as a member of the SARAA Board, he also attended a meeting in Middletown regarding noise abatement properties in Middletown. He was surprised to learn that the Township has the shoreline the whole way down through Middletown; all the property down the Swatara Creek is in Lower Swatara Township.

Public Works – President Mehaffie – reported that the Public Works Department has been busy with projects and routine task. In addition, the Department spent time cleaning-up after the recent storm which seemed to hit only certain areas of the Township. He thanked the Department for its cleanup efforts. Mr. Knoche asked if the Board would like to address the

issue with radios at this time. President Mehaffie explained to the Board that the Public Works Department is experiencing issues with dead air in the Township. These radios are actually obsolete. He agreed that the Township should look into purchasing updated radios in the County service system in order to be able to communicate with the County, Police, Fire, EMA, etc. These radios, however, are very expensive. Commissioner Springer had previously suggested that the Township explore grants to possibly obtain all the equipment at once, rather than just purchase half of them. Mr. Monticello will pursue this possibility.

UNFINISHED BUSINESS:

The Board tabled the Final Land Development Plan of Residential Retirement Community, Phase 1, located along Fulling Mill Road at the intersection of Nissley Drive, prepared by Navarro & Wright, Inc. and submitted by Fulling Road LLC. The plan was recommended for approval by the Planning Commission on November 15, 2007 with stipulations. The plan was due to expire on February 20, 2008. 90-day time extensions were granted by the Board on February 20, 2008, May 21, 2008, August 20, 2008, November 19, 2008, February 18, 2009, May 20, 2009, August 19, 2009, November 18, 2009, February 17, 2010, May 19, 2010, August 18, 2010, November 17, 2010, February 16, 2011, May 18, 2011, August 17, 2011, October 19, 2011, January 18, 2012, April 18, 2012, July 18, 2012, October 17, 2012, January 16, 2013, April 17, 2013, July 17, 2013, October 16, 2013, December 18, 2013, March 19, 2014 and June 18, 2014. The plan is due to expire on October 10, 2014.

The Board tabled the Revised Land Development Plan for KGH Properties – Campus Heights Village Wood Street Access, prepared by Forino, Inc. and submitted by Campus Heights Associates I, LP. The initial Plan submittal was due to expire on December 26, 2012. A 90-day extension was approved by the Township on December 19, 2012. Additional 90-day time extensions were approved by the Township on March 20, 2013, June 19, 2013, September 18, 2013, December 18, 2013, March 19, 2014, and June 18, 2014. The plan will expire on September 17, 2014. This plan remains tabled by the Planning Commission.

The Board tabled the Final Land Development Plan for Middletown Home Access Driveway/Parking Revisions, prepared by Schlouch, Inc. and submitted by the Middletown Home. The initial Plan submitted was due to expire on May 29, 2013. 90-day time extensions

were granted by the Board of Commissioners on May 15, 2013, August 21, 2013, November 20, 2013, February 19, 2014 and May 21, 2014. The plan is due to expire on August 22, 2014.

The Board tabled the Susquehanna Area Regional Airport Authority (SARAA) sewage planning module for the North 29 Area (land where Sheetz and other commercial properties are planned to be built) requesting that the sewage be sent to SARAA's treatment plant instead of Middletown Borough Authority as would be required according to their location within the sewage area. Lower Swatara Township Authority's agreement with the Middletown Borough Authority reads that sewage in the designated area shall be exclusively treated at Middletown Borough's treatment plan. The Planning Commission approved the planning module, conditioned upon SARAA getting Middletown Borough to agree that the exclusivity can be waived in this instance or upon proof that the exclusivity portion of the agreement does not apply to SARAA because of established Authority statues. The burden of proof is on SARAA at this point. The planning module was due to expire on January 23, 2014. The Board of Commissioners granted a 90-day time extension on January 15, 2014, April 16, 2014 and July 2, 2014. The plan is due to expire on October 20, 2014.

The next plan addressed was the Preliminary/Final Land Development Plan for Capital Valley Business Park – Building 'C', prepared by LSC Design submitted by Capital Valley, L.P. The plan had been tabled by the Planning Commission, and was due to expire on June 9, 2014. The Board granted a 90-day time extension on May 21, 2014. The plan is due to expire on September 7, 2014. The Planning Commission did recommend this plan for approval, with conditions, at its June 26, 2014. David Koratich, LSC Design, presented the plan to the Board, and noted that not much has changed to the plans for this 18,000 square foot building since it was presented to the Board back in March. He reported that the Zoning Hearing Board did grant two variances on May 28, 2014: (1) allow less than 30 foot landscaped buffer along portions of perimeter street, in front yard, and allow parking within portion of front buffer (sec. 27-1105.10.A.1 and 27-1105.A.3) and (2) allow curb radii flares to extend beyond the right-of-way of Kreider Lane (sec. 27-2502.C).

There are four waivers being requested this evening: 1) separate Preliminary Plan and Procedure (Sec. 22-404 & 405), (2) sidewalk along Kreider Drive (Sec. 22-607), (3) concrete monuments at all intersections of lines in the property boundaries (Sec. 22-602.1) other than the four main corners, iron pins are proposed at all locations, and (4) stormwater basin should

dewater over a period of not less than 24 hours (Sec. 26-126-2.H). HRG has no objection to this waiver request. Solicitor Henninger noted after much discussion, the Planning Commission recommended granting these waivers. Ms. Letavic added that there was one caveat with the sidewalk waiver. There is no existing sidewalk for the first building out there, which was built on the corner. The Old Reliance Farms development is further up the hill along Oberlin Road, so during the discussion regarding the waiver of sidewalk, there was some interest in sidewalk being proposed on the north side of Kreider Drive alongside the next two land development plans that will likely occur. It was a gentle reminder to the developer that they can ask for a waiver this time, but a waiver is not likely to be approved next time due to the proximity to the residential areas. Mr. Koratich agreed that the developer had no objection to this comment. Commissioner DiFrancesco asked why the Township requires concrete monuments. Solicitor Henninger explained that they are harder to remove than the iron pins.

President Mehaffie asked that the Board act on the four waiver requests. A motion was made by Vice President Wilt, seconded by Commissioner Davies, to grant the following four Alteration of Requirements, “waivers”, which were recommended by the Planning Commission: (1) separate Preliminary Plan and Procedure (Sec. 22-404 & 405), (2) sidewalk along Kreider Drive (Sec. 22-607), (3) concrete monuments at all intersections of lines in the property boundaries (Sec. 22-602.1) other than the four main corners, iron pins are proposed at all locations, and (4) stormwater basin should dewater over a period of not less than 24 hours (Sec. 26-126-2.H). The motion was unanimously approved.

Mr. Koratich informed the Board that there are still a few outstanding items remaining with the Preliminary/Final Land Development Plan itself. He briefed the Board on these items. A motion was made by Commissioner Springer, seconded by Commissioner Davies, to grant a conditional approval on the Preliminary/Final Land Development Plan for Capital Valley Business Park – Building “C”, based on the following eight conditions: (1) engineer’s and surveyors’ seals should be provided(sec. 22-407.A.4), (2) the owner’s signature should be provided (sec. 22-407.A.5), (3) a copy of approved Final Erosion and Sedimentation Control Plan and NPDES permit should be provided (sec. 22-407.A.17 and sec. 26-132.C.4), (4) confirmation that all comments have been satisfied by Lower Swatara Township Municipal Authority and their engineer (HRG), (5) receipt of a Security Agreement with Bonding of improvements for Lower Swatara Municipal Authority will be required, (6) receipt of a Security

Agreement with Bonding of site improvements for Lower Swatara Township will be required, (7) all plan sheets will be recorded, including the PCSM and E&S plans, and (8) provide confirmation that the Township Development Committee/Fire Chief is satisfied by the plan. The motion was unanimously approved.

Mr. Koratich thanked the Board. He noted that this was his first time working in the Township, and it was a pleasure working with Ms. Letavic, Mr. Greene, and the Board.

Commissioner DiFrancesco referenced the manner in which developers present the plans to the Board at these meetings, which is using an easel. There is no way the Board and audience can both view these plan presentations at the same time. After serving two terms and being back on the Board, he stated that he would really appreciate it if someone would look into a better system, perhaps fixed on the wall, to handle this. Mr. Monticello agreed to look into this. Commissioner DiFrancesco also stated that his comments are not being directed at this particular plan, but he questioned when the Board could get back to the point of not doing conditional approvals. With staff stability in place, there seems no reason to grant these except on rare circumstances. Solicitor Henninger added that if the Board so desires, it could place a time frame on when these conditions must be met. If they are not met in the frame, the developer would need to come in and explain why additional time is needed. President Mehaffie stated that the Board may not be able to get away from conditional approvals for small items and administrative comments. Commissioner DiFrancesco explained that he is also concerned about conditions hanging on the staff's desk. Mr. Greene noted that he is comfortable with conditional approvals for minor conditions. What may not be healthy are some of the plans, such as those under Unfinished Business, which have been continually extended for many years.

President Mehaffie noted that the Gina Lane project is pretty much done except for the wearing course, and it looks great. Commissioner DiFrancesco agreed.

NEW BUSINESS:

A motion was made by Commissioner DiFrancesco, seconded by Vice President Wilt, to approve a Proposal for Professional Engineering Services, as submitted by HRG, for Riverview Drive Drainage and Paving Improvements. President Mehaffie noted that the staff and engineer did work to cut costs and reduce the scope from about \$51,000 to \$32,300. The motion was unanimously approved.

A motion was made by Commissioner Davies, seconded by Commissioner DiFrancesco, to approve an Improvement Guarantee Reduction in the amount of \$1,334.00 for Site Improvements, concrete sidewalk, for the Old Reliance Farms Subdivision Plan, Section 12-B. This reduction from the current balance of \$1,334.00 will leave a remaining balance of \$0.00. The motion was unanimously approved.

A motion was made by Vice President Wilt, seconded by Commissioner Springer, to approve an Improvement Guarantee Reduction in the amount of \$213.33 for Site Improvements, concrete sidewalk, for the Old Reliance Farms Subdivision Plan, Section 19. This reduction from the current balance of \$12,755.67 will leave a remaining balance of \$12,542.34. The motion was unanimously approved.

A motion was made by Vice President Wilt, seconded by Commissioner Davies, to approve the SRO (School Resource Officer) Agreement between the Middletown Area School District and Lower Swatara Township. Term of the Agreement shall begin July 1, 2014 and end June 30, 2017. Commissioner Davies questioned the total expenditure on an annual basis. President Mehaffie explained that this depends on the officer's salary. Officer Richards has been the SRO for many years, but will be replaced by one of the Township's newer officers which will result in a cost difference. The percentages in the agreement are the same, but there will be a change in the payment due to the salary difference. The motion was unanimously approved.

President Mehaffie reported that Ray Brown, Waggoner, Frutiger and Daub, LLP, Certified Public Accountants, was asked to be here tonight to highlight key points of the Financial Statements and Single Audit Package for year ended December 31, 2013. Mr. Brown noted that he is the engagement partner on this audit. He distributed a hand-out that pulls some of the key points from the audit reports. He noted that the audit opinion is an "unqualified opinion" which is clean opinion. The bottom line is that it was a good year, with a healthy General Fund balance of \$1,494,351. The biggest expense for 2013, and every year, is Public Safety. Public Works is the second highest expense, followed by General Government. Mr. Brown addressed the Statement of Net Position, which shows all assets and most liabilities. He noted that beginning in 2015, the Township will also need to include the unfunded pension liability for the pension plans as a liability. If that would be picked up today, it would bring another 2.2 million of liabilities, and take the fund balance into a negative. The Statement of

Activities was reviewed, showing which expenditures are self supporting. Only the Building Regulation and Planning category and the Sanitation and Sewer category are self supporting. All others rely on the general revenues.

The next page reviewed was relative to the Police Pension Fund, which had its last actuarial evaluation in 2013. It shows the value of assets at \$4.9 million and actual accrued liability at \$5.9 million. Therefore, it is an unfunded liability at this point. Mr. Brown explained that this is what he was referring to earlier. In 2015, this number will show up on the government wide statements as a liability and take the fund balance into a negative position. School districts will also face this situation, since school pension funds across the state are underfunded. Mr. Brown cautioned that when this comes onto the statements, it could have an impact on future bond ratings. The Non-Uniform Employees Pension Fund also has an unfunded liability of 1.2 million. Again, if these funds were added this year, the 2.2 million total would take the fund balance into a negative position.

Mr. Brown referenced the Post Employee Benefits Plan page, which shows no actuarial value of assets. He stated that he knows the Board has put away \$75,000 a year for a number of years now. However, it is not showing up as an asset because it is not technically in a permanent trust. The rationale is that while the Board designates this amount to be set aside for the purpose, the Board could change its mind and use the money for other purposes. Until these funds are put into a permanent trust fund, like the pension funds, the actuary does not consider this amount in the plan itself. Commissioner Davies asked if there would be an advantage to taking that step. Mr. Brown stated that the biggest advantage is that it would look better on the statements if the Board sets aside the funds to be used for this purpose only. Commissioner DiFrancesco stated the Township may need to look into doing this in the bond rating changes. Mr. Brown added that this liability will also be required to show up on the Township's statements beginning in 2017. He added, however, that right now it is technically close to being fully funded, so it should not have a big impact on the statements. Mr. Monticello asked the possibility of this Board establishing a trust fund, and a subsequent Board dissolving it in the same manner. Solicitor Henninger responded that he is not certain, but perhaps it could be made irrevocable. He explained that the advantage of putting the money into a trust would be that it is restricted. The disadvantage of doing it would be the same – it would be restricted and could not be used for other purposes.

Mr. Brown explained that the last page of the summary pertains to the new GASB (Governmental Accounting Standards Board) requirements, most of which he already covered. He stated that one he has not yet discussed tonight pertains to single audits. The Township was required to have a single audit done last year because it spent over \$500,000 of federal funds. Anytime that amount is spent, a single audit is required. He noted that the Township's largest use of federal funds was for the hazard mitigation payments, which were over \$600,000. This single audit had no findings or problems as far as the fund or the program. One of the new GASB requirements, beginning in 2015, is that the threshold for the single audits will be raised to \$750,000.

Mr. Monticello thanked Mr. Brown for also spending time with the staff to thoroughly review the entire audit document. Mr. Brown stated that it was once again a pleasure working with the staff. They were cooperative and very helpful during the process.

The Board acknowledged the Financial Statements and Single Audit Package for year ended December 31, 2013, as prepared by Waggoner, Frutiger and Daub, LLP, Certified Public Accountants.

The Board acknowledged the hiring of Seth Myers, effective July 14, 2014, as a Laborer for the Public Works Department.

FINAL COMMENTS:

Solicitor Henninger noted that as result of the discussion at the last workshop meeting, he had sent all the Board members additional information regarding the Act 111 arbitration.

ADJOURN AND CONVENE INTO EXECUTIVE SESSION:

With no further business to discuss, a motion was made by Vice President Wilt, seconded by Commissioner Davies, to adjourn the meeting and convene into executive session. The motion was unanimously approved, and the meeting adjourned at 8:52 P.M.

ATTEST:


Jean R. Arroyo, Recording Secretary

