

UPPER MERION TOWNSHIP BOARD OF SUPERVISORS
AUGUST 24, 2017

The Board of Supervisors of Upper Merion Township met for a Business Meeting on Thursday, August 24, 2017, in Freedom Hall, in the Township Building in King of Prussia. The meeting was called to order at 7:31 p.m., followed by a pledge to the flag.

ROLL CALL:

Supervisors present were: Greg Waks, Greg Philips, Carole Kenney, and Erika Spott. Also present were: David Kraynik, Township Manager; Sally Slook, Assistant Township Manager; John Walko, Solicitor's Office; Rob Loeper, Township Planner; Tom Beach, Township Engineer. Chairman Bill Jenaway was absent.

MEETING MINUTES:

It was moved by Mr. Waks, seconded by Mrs. Spott, all voting "Aye" to approve the July 13, 2017 Workshop Meeting; July 20, 2017 Business Meeting; and August 3, 2017 Workshop Meeting as submitted. None opposed. Motion approved 4-0.

CHAIRMAN'S COMMENTS: None.

NEW BUSINESS

CONSENT AGENDA RE:

1. Authorization for Solicitor to Sign Settlement Stipulation re: Atofina Chemicals, Inc., 900 First Avenue
2. Resolution 2017-35 re: Authorization for the Township Manager to sign the 2017 Green Light-Go Agreement
3. 2018 Minimum Municipal Pension Obligation (MMO) for Police and Non-Uniform Employees
4. Grant Extension Letter re: GSK Building 40 Development Plan, 893 Schuylkill River Road to October 31, 2017
5. Awarding of Bids re: Office Renovations to the Upper Merion Municipal Building
 - a. General Contractor – McCarthy Construction, Inc. - \$162,508.00
 - b. Plumbing Contractor – Hirschberg Mechanical, LLC - \$20,541.00
 - c. Electrical Contractor – MJF Electrical Contracting, Inc. - \$14,500.00Total Award of Bid - \$197,549.00
6. Awarding of Bid re: Hazmat Testing and Reporting for the Moore Irwin House located at 700 Moore Road to USA Environmental Management, Inc. in the amount of \$6,507.50
7. Awarding of Professional Services Agreement to the Kapoor Company for Labor Services not to exceed \$19,500.00
8. Supplemental Budget Appropriations re:
 - a. Park & Rec Department – Electrical Upgrades at Walker Park - \$20,000.00
 - b. Public Works – Township Wide Pollution Reduction Plan - \$50,500.00

9. Resolution 2017-36 re: To Amend Resolution 2017-6 to Substitute a Liquor License Transfer for Muse Paintbar, LLC

10. Equipment Replacement Request re: Police Department – Replace 3 AED's and Purchase of Tourniquets for Patrol Vehicles - \$7,484.00

11. Resolution 2017-37 re: Disposition of Township Property

12. Resolution 2017-38 re: Disposition of Township Property to Auction

13. Ceiling Repairs at Community Center to General Painting of PA, Inc. - \$9,319.00. Offset by Full Insurance Reimbursement

Board Comment:

With regard to item #5 (awarding of bids for office renovations), Mr. Waks stated this will allow the Upper Merion Township Police Department to expand its operation into the space previously occupied by the Park and Recreation offices. He pointed out in addition to offering sports and recreation for its 2,300 passholders, the Community Center provided the added benefit of making it possible for the relocation of the Park and Recreation offices to this new complex thereby saving millions of dollars that would have been required for a major addition to the township building.

Board Action:

It was moved by Mrs. Spott, seconded by Mrs. Kenney, all voting "Aye" to approve the Consent Agenda as presented. None opposed. Motion approved 4-0.

LILLY PULITZER DEVELOPMENT PLAN, 800 THIRD AVENUE. TWO, TWO-STORY OFFICE BUILDING ADDITIONS OF APPROXIMATELY 4,900 SF EACH TO THE EXISTING OFFICE AND WAREHOUSE FACILITY. KPMU-KING OF PRUSSIA MIXED USE DISTRICT, 10.0 ACRES Resolution 2017-39

Mr. Rob Loeper, Township Planner, stated the corporate headquarters of Lilly Pulitzer is located at 800 Third Avenue where they currently have 47,000 square feet of office and approximately 60,000 square feet of warehouse space.

The applicant proposes the construction of two, two-story building additions with a total of 18,900 square feet of office space. The additions will be built in two phases based on company growth.

In addition to 800 First Avenue, the applicant also owns 781 Third Avenue, a 7-acre parcel with a 50,000 square foot building also occupied by Lilly Pulitzer.

The plans were reviewed by both planning commissions and recommended for approval. The Shade Tree Beautification Commission reviewed the plan and noted compliance with the code but made several recommendations regarding tree species and plan notes. Remington Vernick and Beach issued two review letters. In the second letter it was noted all engineering concerns had been satisfied.

Rather than construct new parking at 800 Third Avenue, the applicant commissioned a parking study to review parking demand and availability for their combined sites. The study concluded that the applicant had more than sufficient parking between the existing parking on the site as well as the parking across the street at 781 Third Avenue with an excess of 99 spaces.

Improved sidewalk connections are proposed between the two properties for the safety and convenience of pedestrians crossing the street. Third Avenue has a sidewalk along the south side of the roadway to Allendale Road; however,

it is not located at the curb line. No sidewalks exist on the north side of the road. It was noted to the east of the site, significant slopes rise from the curb into the properties.

No roadway improvements are proposed as part of the application; however, the applicant will be required to pay an Act 209 Highway Assessment based on projected trip generation. The intersection of Third Avenue and Allendale Road is signalized.

The stormwater management for the site currently sheet flows off the site through the wooded area and into the stream (Trout Creek). The application includes the construction of a large stormwater basin in the grass area to collect a portion of the roof and overland runoff adjacent to the building. This would meet the requirement for a development site to reduce the 2-year flow by 20% from the predevelopment condition.

There is a variety of new landscaping plantings which include 13 deciduous shade trees, 5 ornamental trees, and 103 shrubs.

There is no dedication of open space so the applicant will pay a fee-in-lieu of \$3,960.

No waivers have been requested with this application.

Mrs. Kenney asked for clarification about the current percentage of impervious versus pervious and what it would be after the additions. Mr. Loeper responded 48% of the lot will be green; the requirement is 25% to be green making it double of what would normally be required. He said there would be an additional 8,000 square feet of impervious.

Mrs. Kenney asked if there are any plans to offset the additional 8,000 square feet of impervious with the possibility of a green roof on either or both of the new buildings. Mr. Loeper responded a large basin is proposed for the grass area at the building; currently there is no formal stormwater management at the site because of the age of the building.

Mrs. Kenney asked about the use of the two new structures and the number of proposed new employees. Mr. Loeper responded the buildings are proposed for office use and estimated it would be approximately 30 new employees over the build-out.

Mrs. Kenney asked if the parking next to the building and across the street provided sufficient parking. Mr. Loeper responded in the affirmative.

Mr. Waks asked for clarification about the anticipated number of employees since the figure of "240 employees" was mentioned at the workshop meeting. Mr. Tim Crews, Director of Fulfillment, Logistics and Facilities, Lilly Pulitzer, responded they are averaging about 15 employees per year over the length of construction and in the two years from when they break ground to completion there would be approximately 30 employees. He indicated if the business continues to grow those numbers could continue.

Mr. Waks reiterated the comments he made at the workshop meeting urging the applicant's consideration of a green roof. He said he has heard that Lilly Pulitzer is a somewhat progressive fashion company and a sustainability strategy might be something that could be included in their marketing strategy and fit in with their brand image. Mr. Crews responded while they do not have exact plans at the moment, the applicant is working towards adding a green roof.

As Board Liaison to the Shade Tree Commission, Mrs. Spott asked for clarification about the Shade Tree Commission comments on the plan. Kevin M.

Ember, RLA, McCarthy Engineering, responded the applicant has addressed the Commission's comments and met all their recommendations.

Mrs. Spott asked if the north property parking would be out of compliance if the property across the street were sold. Mr. Ember responded it would potentially be out of compliance, but the applicant has worked with the solicitor in addressing those types of issues.

John Walko, Esq., Solicitor's Office, stated a covenant has been drafted to be filed against both properties that will run with the land and would only terminate upon written approval of the Board of Supervisors.

Mr. Philips commented on the colorful history and amazing heritage of Lilly Pulitzer and their corporate presence in King of Prussia as part of our township community.

Board Action:

It was moved by Mr. Waks, seconded by Mrs. Kenney, all voting "Aye" to approve Resolution 2017-39. None opposed. Motion approved 4-0.

HANSON PROPERTIES SUBDIVISION PLAN, 367 S. HENDERSON ROAD.
LOT LINE REVISION TO REMOVE APPROXIMATELY 23,000 SF OF LAND
FROM ADJOINING LAND HOLDING OF PECO AND CONSOLIDATE WITH
THE ADJOINING LOT AT 267 S. HENDERSON ROAD RESULTING IN NO
ADDITIONAL LOT. LI-LIMITED INDUSTRIAL, 33, 668 SF *Resolution 2017-40*

Utilizing the aerial, Mr. Loeper pointed out the location of this property along Henderson Road at Hansen Access Road and the surrounding features.

The proposal is to remove approximately 23,000 square feet of land from adjoining land holdings of PECO and consolidate that land with the adjoining lot at 367 S. Henderson Road. No new lot will be created and the resulting remnant of the PECO parcel would not become land-locked.

The PECO property is part of land that was formerly occupied by the Conrail Chester Valley Line commonly known as the Trenton cut-off rail line.

No construction or improvements are being proposed with this development.

The planning commissions indicated support of the plan without comment. Remington Vernick reviewed the plans and provided their comments which would be incorporated into a final plan prior to recording.

Mrs. Kenney asked if both parcels are in the Limited Industrial (LI) District. Mr. Loeper responded in the affirmative.

Board Action:

It was moved by Mrs. Kenney, seconded by Mrs. Spott, all voting "Aye" to approve Resolution 2017-40. None opposed. Motion approved 4-0.

UGI CORPORATION, 460 NORTH GULPH ROAD, REQUEST PARKING STALL
WAIVER FOR REDUCTION OF STALL WIDTH TO ALLOW FOR ADDITIONAL
PARKING

Utilizing the aerial, Mr. Loeper pointed out the location of UGI Corporation corporate headquarters located at 460 North Gulph Road opposite the new CHOP facility. The 5.8-acre parcel is occupied by a 90,000 square foot building.

The site currently has 324 non-handicapped parking spaces. UGI has indicated they are currently experiencing parking shortages. Some years ago they built a large parking field at the rear of the site to address the parking. UGI is currently at the maximum permitted impervious coverage.

The current lot has parking spaces ranging in width from 8.5 feet to 10 feet. The current code standard is 9.5 feet. It was determined by restriping the lot with double lines with a standard 9 foot width it would result in the creation of 9 additional spaces. The company will also be submitting grading and stormwater plans for 9 additional parallel spaces along the rear of the lot.

A waiver (from § 145-24.A of the subdivision code) is required on the size of the parking stall from 9.5 feet to 9 feet for all the spaces. The entire lot will be resurfaced and repainted with double lines.

After checking with the Township Solicitor, Mrs. Spott said she and Mrs. Kenney, both of whom are employees of UGI, will be voting on this parking waiver. The Solicitor has determined there would be no conflict of interest since there is no monetary or pecuniary interest involved in this matter.

Board Action:

It was moved by Mr. Waks, seconded by Mrs. Spott, all voting "Aye" to approve the parking waiver as stated. None opposed. Motion approved 4-0.

ADOPT BOND PARAMETERS ORDINANCE FOR A REFINANCING AND
BORROWING OF NEW MONEY FOR CAPITAL PROJECTS

Mr. Michael Wolf, Boenning and Scattergood, stated this is an opportunity to refinance prior bonds issued in 2011 and save the township approximately \$240,000 to \$250,000 without extending the term of the original loan. The bonds to be replaced have a remaining coupon or weighted average interest rate of 3.3% which will be replaced with bonds to be sold with an interest rate of 2.3%. Mr. Wolf explained the savings is sometimes expressed as a percentage of the refunded principle and the township is in the 6% range. He mentioned this since the Government Finance Officers Association (GFOA) advises its members to be looking for better than 3% which means the township is coming in at twice the GFOA recommended threshold.

Before being in a position to sell bonds, Mr. Wolf met with Moody's with a full package of the entire township's financials. He congratulated the township on receiving once again a Triple-A bond rating. Mr. Wolf stated Moody's was impressed not only by the economic development in the township but in the management. Moody's indicated the township has achieved solid General Fund surpluses in each of the last six fiscal years. He quoted Moody's, "Township management is capable and experienced with a history of conservative budgeting. The township adheres to fund balance targets set annually and adopts a rolling 5-year capital improvement plan and the township engages experts to keep track of its sewer systems capital needs."

Mr. Wolf stated the next action is the adoption of a parameters ordinance.

Mr. Philips commented it is always nice to be reminded Upper Merion Township has a Triple-A bond rating. Mr. Wolf said there are only six other townships in Pennsylvania that have earned that rating.

Mr. Waks noted Moody's is an independent financial rating service. Mr. Wolf pointed out Moody's also has world-wide coverage, not just in the United States.

Mr. Waks stated Upper Merion Township is in the select company of only six municipalities in Pennsylvania with a Moody's Triple-A bond rating. Mr. Wolf

commented, "You can literally take it to the bank and when we sell bonds for Upper Merion they go quickly."

Mrs. Kenney asked how many times in his 30 years working with Upper Merion has Mr. Wolf has come before the various Boards of Supervisors with similar proposals when the rates were such to save money by reissuing bonds. Mr. Wolf said while he has lost track of the number of times he noted every time bonds are issued there is usually a five year prepayment option. Therefore, it is not unusual to come back and refinance the original bonds more than once. Mr. Wolf indicated there have been times bonds were issued collecting savings like this over a 20-year period. He said bonds can be issued in the 6th, 10th and 15th year and still be saving money based on the original interest rates.

Mrs. Kenney commented it is like refinancing a home mortgage when rates go down. It may cost a little more to refinance but you are ultimately getting the same money at a cheaper rate. Mr. Wolf agreed. He said it is costing some fees to refinance but is recaptured in the first six months. Mr. Wolf noted these are the 2011 bonds which are actually the original 2006 open space bonds representing electoral debt and do not count against the township's borrowing capacity as measured by DCED.

Ms. Nevena Simidjiyska, bond counsel, Fox Rothschild, provided a brief summary of the parameters ordinance which authorizes the issuance of the 2017 bonds in one or more series in the amount of up to \$12,665.00. It provides for the date, the maximum interest, the maximum maturity dates, place of payment with respect to the bonds and authorizes the filing of the proceedings with the Department of Community and Economic Development (DCED).

Mr. Philips asked for clarification about the \$10 million for the General Obligation Bond and what represents the difference between that figure and the \$12 million in the ordinance. Mr. Wolf responded the bond issue will be kept under \$10 million, but it is necessary to tell DCED in the filing the actual amount of each of the 20 annual maturities and they vary based on the pricing. He explained some people want discount bonds, some want premium bonds and the amounts it takes to keep the debt service level changes. Mr. Wolf said over the last 10 years we have learned to put a \$100,000 of delta on each one of the 20 maturities even though it might only be needed in one place and when that is done 20 times the result is \$2 million.

Mr. Philips commented the \$240,000 savings realized by refinancing the 2011 bonds is another show of fiscal responsibility on the part of this Board of Supervisors. With regard to the new issue for money it provides an opportunity to look at new capital improvements.

Mr. Waks commented the township is not only Triple A rated but has realized budget surpluses the last six years, including two very large budget surpluses the last two years of \$1.2 million and \$1.4 million. He said economically the township is doing well and will be able to spend this money now at low interest rates while addressing much needed capital improvements.

Mrs. Kenney offered her supportive comments regarding the refinancing of the 2011 bonds.

Michael Napolitan, Garrison Way, asked a series of general questions on the bond issuance, budget and capital projects which were addressed and clarified by Mr. Wolf and the supervisors.

Board Action:

It was moved by Mrs. Kenney, seconded by Mrs. Spott, all voting "Aye" to adopt the Bond Parameters Ordinance as discussed. None opposed. Motion approved 4-0.

ACCOUNTS PAYABLE & PAYROLL:

Board Action:

It was moved by Mrs. Spott, seconded by Mrs. Kenney, all voting "Aye" to approve the Accounts Payable for invoices processed from July 12, 2017 to August 16, 2017 in the amount of \$1,222,288.56 and the Payroll for July 14, 2017; July 28, 2017 and August 11, 2017 in the amount of \$2,521,894.41 for a total of \$3,744,182.97. None opposed. Motion passed 4-0.

ADDITIONAL BUSINESS:

COMMUNITY CENTER MAINTENANCE PROJECTS

Mr. Philips stated as the community center approaches its one year anniversary there will be various projects undertaken to maintain the quality of the facility. These projects have been scheduled to minimize disruption of activities. The community center will remain open during normally scheduled hours. The major project is the annual recoating of the gymnasium floor which will require the closure of all courts in the inner lane of the track from August 28th through September 1st. The Fitness Center and all group exercise classes will continue as scheduled.

COMMUNITY CENTER ONE YEAR ANNIVERSARY CELEBRATION

Mr. Philips invited everyone to attend the one year anniversary celebration to be held at the community center on Saturday, September 16th from 3-5 p.m.

CITIZEN BOARD VACANCIES

Mr. Philips noted the current vacancies on citizen boards in Upper Merion Township and encouraged those who have a special interest in any of the citizen board vacancies listed on the township website to apply and become involved in the community.

AQUA WATER LINE REPLACEMENT

Mr. Philips commented on some of the complaints received about the state of roads subsequent to Aqua's water line replacement process. Aqua is a public utility and as such the township does not have any control over their paving timetable, but he pointed out our public works staff continues to follow up with Aqua on a regular basis to urge their completion of roadway restoration.

FARMERS MARKET

Mrs. Kenney reminded everyone that the Farmers Market is held on Saturday from 9 a.m. to 1 p.m.

From the Public:

Michael Napolitan commented on the Pollution Reduction Plan. His main issue with this plan is that it lumps the entire urbanized area of Upper Merion into one unit. He noted there are various properties throughout the township that do not discharge to the storm sewer. It was also noted he did not see a listing of industrial permit facilities that are already doing TSS reductions. Mr. Napolitan also believes more street sweeping should be done to reduce TSS.

ADJOURNMENT:

There being no further business to come before the Board, it was moved by Mr. Waks, seconded by Mrs. Kenney, all voting "Aye" to adjourn the meeting. None opposed. Motion approved 4-0. Adjournment occurred at 8:37 p.m.

DAVID G. KRAYNIK
SECRETARY-TREASURER
TOWNSHIP MANAGER

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Minutes Entered

Minutes Approved: