

EAST FALLOWFIELD TOWNSHIP
BOARD OF SUPERVISORS MEETING
October 13, 2020 Approved minutes
6:32 p.m.

Members Present

Wilson Lambert, Chairman
Joe Heffern, Vice-Chairman
Katja DiRado, Member
Carol Kulp, Member

Township Staff Present

Scott Swichar, Township Manager

1. TOWNSHIP MANAGERS REPORT

2021 Budget Overview and Workshop:

2021 General Fund Revenue of \$2,461,966 is \$520,964 less than 2020 General Fund revenue due to the moving of the Fire/EMS budget to a separate fund. There is also decreased Real Estate Property taxes and decreased earned income tax.

2021 General Fund Expenditures of \$2,455,694 are \$523,441 less than 2020 General Fund Expenditures of \$2,979,135 which is also due to moving the Fire/EMS budget to a separate fund. There was not an immediate impact from the pandemic on East Fallowfield Township, but there will be more of an impact on revenues in 2021 due to the economic downturn. Township should be mindful of spending due to decrease of funds coming in 2021. The Township should also continue to invest in infrastructure.

Investment in infrastructure would be \$240,000 for road paving, which includes a fuel master pump at \$30,000, an LED sign for the park of \$35,790, which was moved from the 2020 budget to 2021, and a new Township Building feasibility study at \$10,000.

Employee health care cost, which is a large expense to the township, has a small decrease of 1.2% or \$3,000 a year.

Township Manager Scott Swichar is proposing using reserve balance of \$20,000 in the General Fund operating budget as revenue due to the 2021 budget not being balanced. However, the Township has a strong general fund balance. Township reserve is 50% of operating expenditures. No real estate tax increase is proposed in this budget.

Mr. Swichar discussed the Revenue comparison between 2020 adopted and 2021 proposed budget as highlighted below:

Real estate tax is Township second largest revenue. 2021 Real Estate Property taxes of \$731,351 are estimated \$38,649 less than 2020 budget due to expected delinquency from COVID-19 pandemic. 2021 Real Estate Tax Valuation (as of 10/7/2020) has increased by \$3,779,318 since 2020. The increase in assessed valuation will offset some losses in Real Estate Property Tax Revenue.

- 2021: \$406,306,139 (as of October 7, 2020)
- 2020: \$402,526,821
- 2019: \$402,844,451
- 2018: \$404,043,821
- 2017: 405,500,341
- 2016: 407,345,841

The 2021 Fire/EMS Property Tax revenue of \$365,676 moved to separate FIRE/EMS fund to increase transparency, similar to what we did with the trash fund last year.

Mr. Swichar discussed the Revenue Comparison between 2020 Adopted and 2021 Proposed Budget as highlighted below:

The Real Estate Transfer Tax (310.10) budgeted to decrease by \$20,000 from \$170,000 (2020 budget) to \$150,000 (2021 budget). Township's largest Revenue, Earned Income Taxes (EIT) are projected to decrease by \$65,634 from \$1,225,000 (2020) to \$1,159,366 (2021) due to unemployment. This is a best guess, by November should have more information.

Local Services Tax also projected to decrease from \$26,000 (2020) to \$22,800 (2021). Building Permit revenue expected to remain flat in 2021: \$80,000 in (2020) to \$80,000 (2021). General Fund Administration (Expenses) \$64,000 decrease in budget for Administration: \$560,461 (2020) to \$496,454 (2021) reflecting a thin operating budget. the Township will become more proactive in looking for ways to save money.

Expenditure reductions: 11% savings on new Life Insurance/AD&D and STD Policy (Nationwide to Benecon/One America). Will review more at next meeting. The 2021 proposed budget proposes elimination of Full-Time Treasure Position to be more cost effective.

Mr. Swichar provided an overview of the Police Budget as highlighted below:

2021 Police Budget of \$1,303,415 represents 53% of General Fund Budget. Proposed Budget includes 7 full-time (current staffing level). Salaries (largest expense in police budget) will increase 3% (2021) per Collective Bargaining Agreement.

Police Medical Opt out reflects \$8,666. Township offers buyout option where employee can opt from benefits, only currently one police officer has this now.

Mr. Swichar provided an overview of the Public Works Budget as highlighted below:

The 2021 Public Works Budget of \$516,149 represents 21% of General Fund Budget.

The Township is currently negotiating a new contract with Teamsters that expired in 2019. The Teamsters represent the road crew employees. 2021 proposed Budget includes hiring one Full-Time laborer. The Township will still use seasonal help for grass cutting. Salaries in 2021 reflect 3% increase (2021).

Mr. Swichar provided an overview of the Fire/EMS Budget as highlighted below:

Fire/EMS will be moved from General Fund to a separate Fire/EMS Fund.

Fire/EMS tax projected to decrease by \$9,324, from \$375,000 (2020) to \$365,676 (2021) due to expected delinquency from COVID-19 pandemic.

\$20,000 budgeted for Fire Truck Loan Payment (Modena Fire Company)

Mr. Swichar discussed Planning/Zoning as highlighted below:

\$5,000 budgeted for Historic Resource Ordinance to track historic properties. The Township will need to hire a consultant to rewrite the ordinance. The Township will apply for a Vision Partnership grant for this program.

Township Manager Swichar provided an overview of the Liquid Fuels Fund with highlights below:

2021 Liquid Fuels Budget of \$363,029.77 is \$7,571 less than 2020 Liquid Fuels Budget of \$370,600.

2021 Liquid Fuels Allocation of \$271,604 is \$37,500 less than 2020 allocation of \$309,104.

Mr. Swichar stated the budget proposes a \$30,000 transfer from Liquid Fuels Balance to fund 2021 Liquid Fuels Budget.

Capital Purchase of \$22,529 (Loan Payment #2 on Ford F-650). Continued investment of road paving will be in the 2021 budget.

Mr. Swichar provided an overview of the Trash Fund with highlights below:

The 2021 Trash Fee will remain \$275 (Third year in a row).

2021 Trash Revenue of \$708,914 are \$58,386 less than 2020 budget revenues of \$767,300 mostly due to expected delinquency associated with COVID-19.

2021 overall Trash Expenses of \$704,221 is slightly less than 2020 expenses of \$710,000. Hauling Expenses (3-year contract with Advanced Disposal) increases from \$384,694 to \$405,856.

Significant increase in Trash tipping fees (\$67/ton to CCSWA because of more people staying at home. \$194,300 (2020 budget) to \$213,350 (2021)

Township is only expected to see \$4,693 in excess revenue over expenditures in 2021.

Mr. Swichar provided an overview of the Capital Projects Fund with highlights below:

Engineering for Mortonville Road (\$96,000); New Police Vehicle Lease (\$12,500); \$10,000 for record retention (document management) and \$10,000 code enforcement software to manage inspections/permitting.

\$11,000 for police body cameras; \$30,000 Fuel Pump System; \$12,000 for Ferris Mower; \$10,000 for township building feasibility study; \$35,790 LED Sign at Park

Mr. Swichar provided an overview of the Parks and Recreation Fund with highlights below.

Budgeted \$25,000 revenue (2021); Park and Rec Commission Budget of \$5,000 (2021) for increased programming.

Park benches budget \$2,5000, recommending five more this year; Picnic Tables (pavilion) of \$4,500 recommending four new tables this year.

Expenses related to restroom (water service/maintenance) \$1,200; Surveillance Camera at Park; Township receives \$1,500 for every new construction. The Township also expect money from Ridgecrest next year for landscaping changes; \$1,800 internet monitoring of restrooms.

Township Manager provided an overview of 2020 Projections with highlights below:

Township is expected to end 2020 with a surplus in the General Fund.

2020 Expected Revenue is estimated at \$3,102,076, an increase of \$119,146 compared to the 2020 Budgeted Revenue due to refund in medical refund and building permits

2020 Expected Expenses are \$2,655,395, a decrease of \$323,740, compared to 2020 budgeted expenses of \$2,979,135

Township Manager Swichar recommended a transfer of \$175,000 to Capital Fund in 2020 to fund capital projects proposed in 2021.

Township Manager Scott Swichar asked if anyone had any questions.

Vice-Chairman Joe Heffern stated that he does not have any questions at this time.

Supervisor Carol Kulp asked what the picnic tables are made of.

Township Manager Scott Swichar stated that they are made of metal with a coating on them.

Chairman Wilson Lambert asked about the Township Feasibility study costing only \$10,000.

Township Manager Scott Swichar stated that the 2020 budgeted amount was to look at the elementary school as a possibility. That option is now out of the equation. The Township will consider the park as an option instead.

Vice-Chairman Joe Heffern stated that he is surprised there is not more of an impact on tax revenues and questioned why more impact will be felt next year.

Township Manager Scott Swichar stated that most of the tax revenues come in the beginning of the year and are paid by mortgage companies. Township Manager Scott Swichar stated more information about earned income taxes should be known in December. There is no historical data related to earned income tax collections.

Vice-Chairman Joe Heffern asked about trash expenditures going up.

Township Manager Scott Swichar stated that the Township pays for disposal of trash. The amount of tonnage has increased due to people staying at home due to COVID-19 pandemic. Township Manager Scott Swichar stated that the trash fund was profitable in 2019.

Chairman Wilson Lambert asked why the vehicle code violations went down.

Township Manager Scott Swichar stated it is possible that people are not driving as much due to COVID-19.

Township Manager Scott Swichar stated interest revenue will drop also due to interest rates going down.

Supervisor Katja DiRado stated that the housing market looks good and hopefully real estate taxes remain paid as well as EIT.

Township Manager Scott Swichar stated that real estate tax assessment went up due to new houses being built.

Supervisor Katja DiRado questioned how many years the trash fee has stayed at \$275.

Township Manager Scott Swichar stated that 2021 will be the third year of the contract. Township Manager Scott Swichar stated that 2021 will be the third year that the trash fee has not gone up.

Supervisor Katja DiRado asked if the money moved from the General Fund to the Capital Fund would be able to be reversed if an unexpected costly situation came up and the money was needed.

Township Manager Scott Swichar stated that would be a good question for Solicitor Mike Crotty.

Supervisor Katja DiRado and Township Manager Scott Swichar both agreed on being cautious with spending this year. Township Manager Scott Swichar stated that township is in good shape now.

Supervisor Katja DiRado stated that renting equipment would be cheaper than buying, Township Manager Scott Swichar stated that interest rates are very low. The Township should consider a lease purchase rather than an outright purchase due to the low interest rates.

Supervisor Kulp questioned how a bad winter would affect the Township.

Township Manager Swichar stated that the Township is saving \$10/ton with the new salt contract. There is no minimum amount of salt that needs to be purchased with the new contract.

Supervisor Katja DiRado stated the Township should fix more roads while the price is low.

Vice-Chairman Joe Heffern stated the Township should be cautious with spending. The Township should not pave roads ahead of schedule.

Supervisor Katja DiRado stated it would be more cost effective to pave a road that needs to be paved now.

Township Manager Scott Swichar stated that liquid fuel balance will be needed for the Mortonville Road, project. Engineering expense will occur in 2022. The Township can use Liquid Fuels fund toward the PennDOT match. However, the Liquid Fuels Funds must be for road construction.

Supervisor Carol Culp asked when the S. Caln and West Chester road project would be completed.

Township Manager Scott Swichar stated that they are supposed to complete the project this week.

Chairman Wilson Lambert stated that if this project is not finished before the end of October then the contract should be assessed and the contractor should be held responsible for what is not completed.

There was a Board discussion about why the project was delayed and what work was being done.

Chairman Wilson Lambert stated that Westwood Fire Company wants to add another paramedic unit. The proposal would cost the Township an additional \$24,000. He stated that given budget constraints, he does not feel comfortable with the proposal.

Supervisor Katja DiRado stated that she will attend the meeting with Chairman Wilson Lambert. The meeting is scheduled for October 21, 2020 in the evening.

There was a Board discussion about the Fire/EMS tax.

There was a Board discussion about where to direct the Township's charitable contribution in 2021.

Supervisor Kulp questioned the purpose of the \$5,000 Historic Resource Ordinance expenditure.

Township Manager Swichar stated that a consultant would be hired to rewrite the ordinance. The Planning Commission discussed the idea. The Historic Commission will take the lead on the project.

Supervisor Dirado questioned if there is an alternative to the SPCA.

Township Manager Swichar stated he would investigate other options.

Township Manager Scott Swichar stated that he will put on the library donation on the agenda for next meeting.

Respectfully Submitted,

A handwritten signature in black ink on a light gray rectangular background. The signature reads "Scott M. Swichar" in a cursive script.

Scott Swichar,
Township Manager/Secretary