

EAST FALLOWFIELD TOWNSHIP
BOARD OF SUPERVISORS MEETING
October 12, 2021 Approved minutes
6:32 p.m.

Members Present

Wilson Lambert, Chairman
Joe Heffern, Vice Chairman
Katja DiRado, Member
John Nielsen, Member

Township Staff Present

Scott Swichar, Township Manager

1. CALL TO ORDER, SILENT MEDITATION, PLEDGE OF ALLEGIANCE

Chairman Lambert called the meeting to order at 6:31 PM.

2. PRESENTATION OF 2022 DRAFT BUDGET

Township Manager Swichar stated that tonight is the budget workshop, November 9 is the first presentation of the budget, November 23 is the second budget presentation where the board could authorize the advertisement of the budget. The budget must be advertised at least 20 days before adoption. Budget adoption is scheduled for December 14. If the Budget does not pass, there is another meeting scheduled for December 28 where the board could vote again.

Mr. Swichar stated that no real estate tax increase is proposed in 2022 proposed budget. The General Fund Revenues are: \$2,519,272.19. The 2022 general fund revenue is \$47,244.00 greater than the 2021 General Fund Revenue. The 2021 revenue is \$2,472,027.85. This is attributed to increased Real Estate property taxes and increased Earned Income Taxes (EIT). The township has brought in \$233,000 in building permit fees the first half of this year. However, the Township expects a rapid drop in building permit fees next year which will limit revenue growth.

2022 General Fund Expenditures of \$2,544,356.74 are \$75,909 more than 2021 General Fund Expenditures of \$2,468,447.60. The increase in expenditures next year is largely attributed to increased personnel costs of 3.25% for public works, and a 3% salary increase for police/administration and increased health insurance premium of 6.25%.

East Fallowfield Township as well as all of Chester County was largely not impacted by the economic fallout from COVID-19. The EIT revenues were actually higher in 2020 when the pandemic started versus 2019.

The proposed budget includes continued investment in infrastructure. \$220,000 is budgeted for road paving, \$40,000 for a fuel master pump system, and \$10,000 for a new Township Building feasibility study. The 2022 budget includes a \$28,084 deficit.

Employee healthcare costs will increase moderately at 6.25%

The township anticipates having a \$300,000 operating surplus in fiscal year 2021. Mr. Swichar proposed that the board transfer \$300,000 from General Fund into the Capital Fund at the end of the year.

Mr. Swichar provided an overview of the 2021 budgeted revenues compared to 2022 budgeted revenues. Real estate property taxes are the township's second largest revenue. Taxes are projected to increase \$53,649 next year. The 2021 Real Estate Property Taxes were budgeted at \$731,351 and the township budgeted \$785,000 in 2022. The Township anticipated last year that taxpayers would be delinquent in 2021 due to the pandemic. However, this never happened. Homeowners are still paying their real estate taxes.

The overall valuation of real estate in East Fallowfield Township has actually increased since last year. As of October 7, 2021 real estate valuation is \$414,585,049, which is an increase of \$8,278,910 since last year.

The Township expects that the real estate transfer tax of 1%, will decrease due to slowdown of new home construction. The township budgeted \$90,000 next year, compared to \$150,000 in the 2021 budget. The Township's earned income tax (EIT), which is the township's largest revenue is projected to increase by \$100,634 in 2022. The township budgeted \$1,159,366.50 in 2021 compared to \$1,260,000 in 2022.

The Township expected that EIT would drop in 2020 due to the pandemic, but the 2020 EIT revenue was actually higher than 2019. The Township also expects to bring in more EIT revenue in 2021 than was brought in last year. The Local Services Tax, which is the \$52 a year fee, is budgeted to remain flat in 2022. Building permit fees are budgeted to remain flat in 2022. The Township had budgeted \$80,000 in 2021 concerned that COVID would stop all new construction. In reality, the township brought in over \$230,000 in 2021. However, in 2022 the township budgeted \$80,000 as new construction is slowing down. BAWA Fellowship will only build 5 or 6 new construction homes next year.

Mr. Swichar provided an overview of general fund administration. Administration includes expenses such as banking, payroll, and salaries for the treasurer, township manager and administrative staff. 2022 Administrative Budget reflect an increase of \$25,961 compared to the 2021 budget, The Township budgeted an administrative salary increase of 3%.

The Township looks for ways to save money whenever possible. The township recently switched to Meridian bank for township banking and the 2022 budget reflects the \$8,000 a year savings. There is a line item for a \$8,000 community donation. The Township reached out to People's Hall to find out when they plan on having the interior work done. The Township is not sure if the money will be spent this year or next year.

Mr. Swichar provided an overview of the 2022 Police Budget. The 2022 Police Budget of \$1,366,489 represents 54% of the overall General Fund Budget. The Proposed budget includes 7 full time police officers including the chief. At the last meeting, the Board approved a DCED Police Staffing Study. The study is 100% funded by DCED and will help the township determine current and future staffing needs. Staffing numbers in the budget are the same. The study should help provide more direction. Salaries are largest expense in the police budget. The Township is currently negotiating a new CBA which expires this year. However, the township budgeted a 3% increase in the budget.

Township Manager Swichar discussed pension costs. The township budgeted \$64,010 which is the minimum municipal obligation for the police pension. The Township contributes to the MMO every year as a contribution to the police pension.

The Police Medical opt out payment reflects \$7,568. The township offers a medical opt payment for full time police officers who waive medical coverage. This a cost savings measure for the township. Officers receive half the cost of a single plan in the form of compensation. The 2022 budget reflects a payment to one officer who waives his health benefits.

Township Manager Swichar discussed the 2022 planning and zoning budget. He stated that the 2021 budget reflected \$5,000 for the Historic Commission to update the historic resource ordinance. The project did not happen, so the request will carry into next year's budget. He stated that the township budgeted \$44,000 for code enforcement, which is 55% of building permit fees. The expenditure is paid to Keystone. The Township budgeted \$13,000 for animal control in 2022. The costs continue to increase every year. The Township's 3-year contract with Brandywine Valley SPCA expires the end of this year. The Township reached out to La Mancha to discuss animal control; however, they were not interested.

There was a discussion about Brandywine Valley SPCA and the rising cost of animal control. The COG is exploring the possibility of developing its own animal control service.

Township Manager Swichar stated the 2021 public works budget is \$514,849, which represents 20% of General Fund budget. Full time public works salaries will increase by 3 ¼% in 2022, per the collective bargaining agreement. 2022 Part-time salaries will increase from \$18,096 to \$30,000, reflecting the additional labor needed to weed whack guardrails and to cover full-time laborers out on medical leave.

Township Manager Swichar stated the township budgeted a small increase in the Fire/EMS tax revenue from \$365,676 to \$380,000, reflecting that the pandemic has had little affect on revenues. The Township budgeted \$20,000 for Fire Truck Loan Payment from Modena Fire Company. The Township budgeted for a 2022 Subsidy to EMS companies at \$156,800, the same amount as last year. This amount includes the budgeted \$24,000 for expanded paramedic service from Westwood Fire Company. The township has not started paying the additional \$24,000 as the township is still waiting for an intergovernmental agreement with Valley Township. The 2022 subsidy to Fire Companies is still budgeted at \$100,000, the same amount as last year. The subsidy is split between Modena and Westwood

Township Manager Swichar stated that the 2022 Liquid Fuels Budget of \$384,829.77 is \$21,800 more than 2021 Liquid Fuels Budget of \$363,030, attributed to an increase in road salt cost. He stated that the current price of salt is \$64.50/ton compared to \$51/ton in 2020/2021 season.

The Township budgeted for a lease purchase of new John Deer Backhoe to replace a 15-year-old backhoe at a cost of \$129,800. The current Backhoe is 15 years-old and the hydraulic lines and hoses are rotting, and the door will not shut. Liquid Fuels also reflects a loan payment of \$22,529. There is an existing loan for a 2019 Ford F-650 snowplow. The 2022 budget reflects payment #3 of the loan.

Township Manager Swichar stated the liquid fuels allocation are dollars from the state used for maintenance, snow plowing, and reconstruction of township roads. The 2022 Estimated Liquid Fuels Allocation of \$275,563 is \$3,959 more than 2021 allocation of \$271,604.

Mr. Swichar stated the Township should continue to aggressively pave roads and \$220,000 was budgeted for paving in 2022. The 2022 Liquid Fuels Budget proposes a transfer of \$55,000 from liquid fuels balance to fund 2022 liquid fuels budget. The Township had a healthy balance of \$340,000 in beginning of the year.

There was a board discussion about maintenance of roads.

Township Manager Swichar stated he will discuss road maintenance with the township engineer.

Mr. Swichar stated that the 2022 Trash Fee is budgeted at \$275, and that this is the fourth year in a row the trash fees will stay at \$275. He stated that 2022 Trash Revenues of \$700,000 are \$35,000 more than 2021 revenues of \$665,000. 2022 Trash Expenses of \$740,197 are \$35,976 more than the 2021 Trash expense of \$704,221. The hauling expense with Waste Management will increase, tipping fees have increased, and residents are disposing of more trash. Recycling fees have actually decreased.

Township Manager Swichar stated that the Board voted to continue the trash contract with Waste Management for an additional option year, and the collection fee will increase from \$405,856 in 2021 to \$426,145 in 2022 per the existing contract.

The 2022 Trash Budget reflects using reserves of \$30,877 to balance the budget. The Township should not be overly concerned about using reserves. The Township should consider putting the trash contract out to bid in the fall of 2022 and review the \$275 trash fee next year.

The Township's trash fee is low compared to other townships in Chester County.

Mr. Swichar stated the Township submitted a grant application to DEP to purchase new recycling containers for every residence next year. The purchase of trash containers could strengthen the township's trash program.

Mr. Swichar stated that 2021 was a successful year for park and recreation. The township installed surveillance cameras in the park. He stated the township installed Park benches and metal ADA accessible Picnic Tables at the park, all the money came from the Brandywine Creek Greenway Mini Grant. He stated that the Township installed public sewer and public water at the park, and the township received \$125,000 grant from DCED Greenways

Township also completed its public restroom building and received a \$125,000 from DCED Greenways and an \$85,000 grant from Chester County Preservation Partnership program.

Supervisor DiRado stated the restroom should have been bigger to accommodate families.

The Township installed 7 trees this year and last year the township installed 34 trees. The grant funding came from PECO Green Region grant.

Despite the pandemic, the township had two great events this year, the Star-Spangled Children's Parade, and the Concert in the Park event. Both events were funded by sponsors, and the township used very little park and rec funds. There was also a cleanup event at the park. Park and Rec Board is planning a trunk or treat event at the park on October 29.

The Township budgeted only \$9,000 in park and rec fees for 2022. The park and recreation fee is \$1500 for every new construction. The park and rec fee revenue was \$25,000 in the 2021 budget. The 2022 park and recreation budget includes a new park pavilion which is estimated to cost \$37,000.

The Park and Rec Board is planning more activities for 2022.

Supervisor DiRado stated she wants to see a butterfly and bee garden in the budget.

Supervisor Nielsen stated that an impact fee would provide a more steady revenue source for the park and recreation budget.

Supervisor DiRado stated that park should be rewilded so that mowing is not needed at the park.

Al Wright, Chair of the Park and Rec Board stated a park master plan should be developed.

There was a discussion about rewilding.

The budget proposes \$8,000 for a summer concert in the park series to replace the park day event as well as continuing the children's parade. The Township would consider three concerts next year.

There was a discussion about open container laws at events and beer garden events.

Township Manager Swichar gave an overview of the Capital Fund. He stated that Mortonville Road Engineering is nearly complete. The Township expects to put this project out to bid the end of this month and begin stabilization of the roadway next year. The Township received two grants: \$1 million from PennDOT MTF and \$730,000 from DCED. The township treasurer is looking for information on a loan as the grants are reimbursement grants. The Township also purchased police body cameras in the amount of \$10,500 and township approved the body camera policy at the last board meeting. The Township purchased a Ferris mower and the completed the Newlinville Master Plan through the Vision Partnership Grant Program.

In the 2022 capital fund, the Township currently has three leases being paid for out of the capital fund. Two radar speed feedback signs are being requested.

There was a discussion about where the signs would be placed and the benefits of a mobile speed feedback sign.

Township Manager Swichar stated a new server for the police department is being requested. The police are requesting two new police vehicles to replace a 2007 Honda and 2014 Dodge Charger. These purchases are reflected as \$15,000/each for five years in the form of a lease purchase. The township is communicating with the School Board about purchasing land at the site of the former South Brandywine Middle School. \$10,000 is in the budget to complete a feasibility study for a new township building.

There was a discussion about purchasing land at the site of former middle school for a future municipal complex.

Township Manager Swichar stated that he expects the township will end 2021 with a \$300,000 surplus in the General Fund. He recommends that the township transfer about \$300,000 to the Capital Projects fund to fund projects planned in 2022. He stated that EIT, building permit fees and R/E taxes outperformed budget estimates in 2021.

Vice Chairman Heffern questioned how much money is in Capital Fund.

Township Manager Swichar stated the township is fortunate they have good reserves in the General Fund. The Township started the year with \$1.7 million in General Fund reserves.

Supervisor Nielsen questioned if there is a new building fund.

There was a discussion about establishing a new building fund.

There was a discussion about projects for Newlinville.

3. NEW BUSINESS

None

4. OLD BUSINESS

None

5. PUBLIC PARTICIPATION

None

6. ADJOURNMENT

MOTION: Vice Chairman Heffern made a motion to adjourn the September 28, 2021 of Supervisors Meeting at 8:20 PM. Chairman Lambert seconded.

VOTE: 4-0.

Respectfully Submitted,



Scott Swichar,
Township Manager/Secretary