

EAST FALLOWFIELD TOWNSHIP
BOARD OF SUPERVISORS MEETING
June 28, 2016 Approved minutes
6:30 PM

Members Present

Steve Herzog, Chairman
Ed Porter, Vice Chairman
Wilson Lambert, Member
Joe Pomorski, Member

Township Staff Present

Lisa Valaitis, Township Secretary
Pani Martin, Township Treasurer

Township Solicitor

Mike Crotty

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

Chairman Steve Herzog called the meeting to order at 6:30 pm.

2. DISCUSSION

A. RULES OF CONDUCT

- 1) Steve Herzog stated the Rules of Conduct are posted in the back of the room.

B. APPROVAL OF MINUTES

- 1) May 24, 2016 Board of Supervisors Workshop minutes.

MOTION: Steve Herzog made a motion to approve the May 24, 2016 Board of Supervisors Workshop minutes as presented. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- a. Sharon Scott requested the following comment be added on page 4, in the Questions and Comments section: "Road Department employees made a fair wage and had fair benefits. There was no need to have a union formed." Mrs. Scott also requested on page 10, 4th line down, that the word "should" be changed to "would".

VOTE: 4-0 (approved with requested changes.)

- 2) June 14, 2016 Board of Supervisors Workshop minutes.

MOTION: Steve Herzog made a motion to approve the June 14, 2016 Board of Supervisors Workshop meeting minutes as presented. Ed Porter seconded.

VOTE: 3-0 (Joe Pomorski abstained.)

- 3) June 14, 2016 Board of Supervisors Budget meeting minutes.

MOTION: Steve Herzog made a motion to approve the June 14, 2016 Board of Supervisors Budget meeting minutes as presented. Ed Porter seconded.

VOTE: 3-0 (Joe Pomorski abstained.)

C. 2015 AUDITOR REPORT

1) 2015 Auditor Report presented by Dave Barrett from Mingis, Gutowski & Company.

Dave Barrett, from Mingis, Gutowski & Company, said the 2015 Audit Report is a routine two-part letter required by the AICPA to communicate to those charged with government. Mr. Barrett stated the first part of the 2015 Audit Report covers scope and responsibility. The second part of the report addresses internal control related matters. Dave Barrett stated that these letters are typically negative but there has been significant improvement in the Township over the last several years. The report included a recommendation for the Township to convert from the modified accrual basis of accounting to the cash basis of accounting. The lack of complexity of the Township doesn't warrant a need for the modified accrual basis of accounting. The cash basis of accounting would be more useful because it compares how the Township is doing compared to the budget. The conversion to the modified cash basis is an easy conversion. Most townships of comparable size to East Fallowfield are on the modified cash basis. Mike Crotty stated that the Board approved this conversion.

Dave Barrett also discussed segregation of duties and said it is a comment for a lot of small townships. The staff is not large enough to adequately separate duties. He said he has the responsibility to report segregation of duties as a weakness. Mr. Barrett stated the biggest concern is that the Treasurer records entries on the books and also does the bank reconciliations. Steve Herzog stated a general list of duties that should be segregated would help the Board evaluate this issue. Ed Porter asked about a quarterly audit/review. Dave Barrett stated this would be done by a fee accountant. Mr. Barrett said a fee accountant would certainly help with the conversion to cash basis.

Dave Barrett addressed the escrow accounts. He said they have been out of alignment since before he was the Township auditor. The prior treasurers were not able to correct this. He believes that Pani Martin has put together an accurate amount. There is a \$760,000 negative receivable on the books. Mr. Barrett said these are bookkeeping deficiencies / errors over the years that have not been addressed. Ed Porter asked how this could be addressed. Mr. Barrett stated if you can find records, you could see what escrow accounts are being held. He doesn't feel that this is a true payable. Converting to the modified cash basis would eliminate this negative receivable.

Dave Barrett stated that for a couple of years the adjusting journal entries were not recorded on the books. He said Pani Martin did record the adjusting journal entries for 2015 in April of this year. Steve Herzog asked if there is now a procedure for this. Pani Martin stated there is a procedure in place.

Dave Barrett stated there is no evidence that the \$17,000 liability called unclaimed funds are checks that aren't cashed. Prior audit adjustments were recorded in this account. Unclaimed funds by definition should be escheated to the state after three years. This is not a real liability and should not be escheated to the state. Mr. Barrett said it is prior audit adjustments that got booked as unclaimed funds. He said that converting to the modified cash basis of accounting will eliminate this.

Mr. Barrett also discussed the conversion of the chart of accounts to DCED's chart of accounts. He said this is not a weakness but rather a recommendation to make it easier for the Treasurer. Pani Martin discussed the chart of accounts.

Mr. Barrett stated again that a lot of progress has been made. Ed Porter asked if Dave Barrett could make a recommendation for a fee accountant. Dave Barrett said he could provide a recommendation. Ed Porter asked about the negative receivable and a question that came up regarding if we properly billed developers. Dave Barrett stated they have no way of knowing if billing was done correctly. He said he doesn't believe it is real liability. It's not reflected on the financial statements. What is reflected on the financial statements is what we believe to be correct. He said the escrow balances are accurately recorded in Excel spreadsheets. He said the Township should clean up the books and not worry about the escrow in QuickBooks.

D. EASTCO PROPERTY AT 380 DOE RUN ROAD

1) Eastco / Prange's Junkyard – Township Purchase? – Bill Pounds and Brian Moore.

Bill Pounds, Environmental Consultant from Harrisburg, PA, said that his client, Mr. Boetzelen of Eastco Enterprises, asked him to come and speak to the Board regarding the sale of Eastco's property. Mr. Pounds said Mr. Boetzelen originally purchased this property with the intent to use it as a processing facility to remove metal from slag. Mr. Pounds said that Osman Environmental Solutions was originally asked to prepare a conditional use application for Eastco Enterprises for Mr. Boetzelen, who submitted the application to the

Township. After meeting with the Township Engineer and Township Solicitor, Mr. Boetzelen decided to hold off on proceeding with the conditional use application. After several application extensions, Mr. Boetzelen decided to withdraw the conditional use application. Since that time, Mr. Boetzelen has been in the process of trying to sell the property. Mr. Boetzelen has inquired with the Township to determine if the Township is interested in purchasing the property at his cost. Mr. Pounds stated that Mr. Boetzelen has done significant clean up on the property. Ed Porter asked if the property is considered a problematic piece of property. Mr. Pounds said no and that prior to putting the conditional use application together, he looked at the property file. Mr. Pounds said he was told there were no outstanding violations. At this point in time, Mr. Boetzelen has cleaned up waste that was in woods, cleaned up tires, torn down two existing buildings, pulled ground water from existing wells, and the water tested clean. Mr. Pounds said that the property is clean as far as phase 1 assessment is concerned. There is nothing that would trigger a phase 2 investigation. A lot of the old materials have been removed from the site. There was a discussion about whether the dirty dirt was removed from the property. He said they dealt with the potential of two underground storage tanks that were ordered to be removed. Mr. Pounds stated there was no evidence that they were properly removed. However, DEP in Norristown said there was no evidence that they weren't removed. Mr. Pounds said there is no evidence of tanks on the property. Mr. Pounds said the gas tanks from the cars were emptied into an above ground tank before the cars were crushed. There was a discussion about the junk yard laws and permit requirements. Wilson Lambert asked what the price is for the land. Pani Martin stated \$450,000. The property is 15 acres. Ed Porter asked Brian Moore (Eastco Employee) if there had been any offers on the property. Brian Moore said there have been some offers. One inquiry was for an interest in running a junk yard. Brian Moore stated most of the interest is just inquiries. Ed Porter asked if the property has a current junk yard license. Mr. Moore said they have a current junk yard license. Mr. Crotty said the license transfers with the property. Steve Herzog stated he doesn't feel the Township is in a position to purchase the land. Mr. Lambert said he wondered what the Township would do with the land if the Township purchased it. Mr. Pounds said the property is currently zoned as Office-Industrial. Mr. Lambert talked about all the land the Township is already responsible for cutting grass on. Ed Porter said it doesn't look like the right project for the Township at this time. Ed Porter asked Brian Moore to keep the Board posted on offers.

QUESTIONS AND COMMENTS:

- a. Mr. Nash asked about the underground tank in question. He asked if this was originally a filling station with an abandoned gas tank. Mr. Pounds said the only structure he found on the property was a house and they found no evidence of a tank when they tore the building down. Mr. Pounds stated that his research and DEP's research did not locate any evidence of a tank other than there may have been a tank. We aren't sure if it was there or if it was removed by the previous owner.

E. LEGAL ISSUES

- 1) Holland Conditional Use Written Decision Approval.

Mike Crotty stated the Board held two public conditional use hearings regarding Lisa and Mike Holland's conditional use application for a day care center. The Board approved the conditional use application at the last hearing on June 14, 2016. Mike Crotty stated the Township needs to issue a written decision. The written decision lists all the conditions mentioned at the night of the second hearing when the Board approved the conditional use application.

MOTION: Steve Herzog moved that the Township approve the form of written decision for the Holland Conditional Use application in the form as presented by the Township Solicitor. Ed Porter seconded.

VOTE: 4-0

- 2) Johnston Stormwater Management Plan Agreement (awaiting NPDES approval).

Mike Crotty stated the Johnston Stormwater Management Plan Agreement has been in a holding pattern. The Johnston's were building their home and waiting for NPDES approval. Chris Della Penna, Township Engineer, confirmed the NPDES approval has been received. Mr. Crotty stated the motion is to approve the form of

agreement which is in East Fallowfield Township's Stormwater Management Ordinance for the Stormwater Management Plan.

MOTION: Steve Herzog moved that, upon the review and recommendation of the Township Engineer, the Board approve the Stormwater Management Plan and Stormwater Management Agreement for Lot 2 of the Johnston property subdivision. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- a. Sharon Scott asked where the Johnston Property is located. Mike Crotty stated it is on Strasburg Road at the intersection of Clearfield. Steve Herzog stated it is back in the woods off the road. She asked if this was the property that received the total waiver from the Timber Harvest. Steve Herzog said it was a waiver of meeting the total tree requirement because the lot was full of trees. Steve Herzog said the plan had spots for trees being put in and they were keeping as much wooded area as possible. She asked if the waiver was just for that lot. Steve Herzog stated the waiver was just for that lot. Steve Herzog said that each property/lot would go through a stormwater management application. Sharon Scott asked why there was no motion on the agenda. Mike Crotty explained the process to Sharon Scott. Steve Herzog stated the motion came in last minute due to the approval from DEP coming through. This is an agreement between the property owner and the Township. Mike Crotty stated this falls under Act 167.

VOTE: 4-0

3) Stop Signs – Intersection of South Bailey Road and West Chester Road.

Mike Crotty discussed a possible need for a 4-way stop sign at the intersection of South Bailey Road and West Chester Road. Mike Crotty said he consulted with Traffic Plan Design, and they stated the Township does not need PennDOT approval. Mike Crotty said we need an ordinance to authorize the 4-way stop sign and a traffic engineering assessment to make sure that putting a 4-way stop sign in is warranted at that location. Joe Pomorski asked if east of South Bailey Road is in West Bradford Township. There was a discussion about where the township line is between East Fallowfield Township and West Bradford Township. Tag Gathercole stated we would need to talk to West Bradford Township about adding the 4-way stop signs if part of the intersection is in West Bradford Township. Mr. Gathercole stated the 4-way stop sign is definitely needed at this intersection. Mike Crotty said step one is confirming where the township line is. Next we need to talk to West Bradford Township if part of the intersection is confirmed to be in that township. Steve Herzog suggested possibly splitting the cost with West Bradford Township. Traffic Plan Design can determine what township the intersection is in. The motion was tabled.

4) 2016 Road Paving Project.

Mike Crotty stated the road paving bid came in from Long's Asphalt at \$213,608.25. Steve Herzog stated this is higher than expected. Pani Martin stated \$310,000 is in Liquid Fuels. Ms. Martin said that \$150,000 was budgeted for this project. Tag Gathercole stated there is \$15,000 budgeted for the salt shed. He suggested tabling the salt shed until next year to add \$15,000 to the budgeted amount for the road work. Tag Gathercole said Fairview Road desperately needs overlay. Tag Gathercole discussed some of the various road areas that need work. Tag Gathercole and the Board discussed options for some of the roads. Steve Herzog asked what the cost is of the Fairview Road portion. Ed Porter asked what the next bid amount was. Tag Gathercole stated there were no other bids. There was a discussion about why there were no other bids. Tag Gathercole said that taking out Timacula Road would save \$11,000. Taking out Molineux Lane would save another \$11,000. Ed Porter asked what roads are planned for next year. Tag Gathercole stated Mortonville Road and the roads in Providence Hill need to have work done. Tag Gathercole stated Providence Hill is complaining about the seal cracking. Other roads that need work next year are Beechwood Drive, Woodridge Road, Mink Hollow Road, Ramsey Road, and Molineux Lane. Mr. Gathercole stated Fairview Road is the worst road in the Township right now. Ed Porter said he wants to make sure the Modena line is taken care of. Tag Gathercole discussed the section of Fairview Road that needs to be repaired. The Board discussed various scenarios on what roads to repair in the job package. Ed Porter asked Tag Gathercole if he thought we would have gotten more bids if the jobs were broken up. There was a discussion about splitting Fairview Road into two projects. Steve Herzog asked if there is a way to have Chris Della Penna break down the prices. Tag Gathercole said we really need to make a decision tonight. Tag Gathercole described the work to be done on the salt shed.

Mike Crotty explained the motion to be made if the Board wanted the job to not exceed \$150,000. Mike Crotty stated at the next meeting, a motion will need to be made to specify the precise amount and precise scope of road work.

MOTION: Steve made a motion to authorize the Township Engineer and Tag Gathercole to review the paving bid to determine what can be done for the budgeted amount of \$150,000. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- a. Wilson Lambert asked if we need to use the Township Engineer as opposed to just Tag Gathercole. He asked if Tag Gathercole could specify what work can be done for \$150,000. Tag Gathercole said he could have Mr. Long, from Long's Asphalt, go out and determine what he can do for \$150,000. Mike Crotty said there will be a need to involve the Township Engineer.
- b. Edwin Zeller asked if this job was advertised. Steve Herzog stated that the job was advertised.
- c. Ed Porter asked Lisa Valaitis to poll CCSIGA to find out what paving companies other local municipalities are using for road work.
- d. Lisa Valaitis briefly spoke about advertising paving jobs on specific websites to help get more bids.

VOTE: 4-0

5) Memorandum of Understanding.

Mike Crotty said there are two issues that needed clarification in the Teamster's Collective Bargaining Agreement. The first issue is that one of the employees should be receiving single only coverage for health insurance. The wording in the Collective Bargaining Agreement only references a family health insurance plan. The second item is regarding the payout of sick leave accruals being covered in one part of the Collective Bargaining Agreement but not under the other provision.

MOTION: Steve Herzog moved that the Board approve the Memorandum of Understanding with the Teamsters related to sick leave accrual in the form as presented by the Solicitor. Joe Pomorski seconded.

QUESTIONS AND COMMENTS:

- a. Edwin Zeller asked about the specific details of the Memorandum of Understanding. What is happening with the sick leave accruals? Do they carry over? Steve Herzog explained that the issue is that the Collective Bargaining Agreement didn't have the correct wording. The motion is just to ratify that. They are allowed to accrue but upon normal retirement they can only be paid for a certain amount of time accrued. Mr. Zeller also asked what the difference is between a new hire and an old hire. Steve Herzog stated there is a tiered benefit package for new hires and they get a different amount of accrual/vacation days. Old hires will keep the benefits that they have. This does not apply to the police.

VOTE: 4-0

F. PLANNING COMMISSION

- 1) Planning Commission Report – Dennis Crook presented the June Planning Commission report. Mr. Crook reported that most of their meeting focused on the current conditional use application. At their next meeting, he said they will focus on putting together a proposal with the Chester County 2020 to look at a few things such as the Master Planner program. Mr. Crook talked about an extension of the community conversation program which is a way to solve one problem in a topic situation. Mr. Crook stated an example topic for community conversations would be what the benefits are of having a township manger. A community conversation program should also help with the official map, the Office-Industrial and Multi-Use zoning merge, and development of a township flow chart. This venue would help get more feedback. Ed Porter asked if the Chester County 2020

group is a private company. Mr. Crook said yes. Dennis Crook suggested using Ray Ott to do the official map. Ed Porter asked how old the official map is. Dennis Crook said the official map was last done before 1999. Wilson Lambert discussed the topic of a township manager as part of a community conversation program being confusing to residents. Dennis Crook read the Master Planner description. Dennis Crook discussed some of the Planning Commission's scope of responsibilities such as plan implementation, subdivision land development, official township map, and the Comprehensive Plan. Mr. Porter also discussed the scope of the Planning Commission responsibilities. There was a discussion about a township manager and who determines the need for one. Wilson Lambert stated a community conversation regarding a township manager would need to be initiated by the Board of Supervisors. Mr. Crook said he will bring a proposal to the Board regarding the Master Planner course after the next Planning Commission meeting. There was also a discussion about what the official map would be used for and what would be identified on it. Steve Herzog commented that they need to find out what the cost is for getting an official map done. Mike Crotty asked Dennis Crook about the list of developments and their subdivision and land development application status as well as zoning map changes they were working on. Dennis Crook reported the Planning Commission put a big list together but they still need to sort it out. They will tackle two of those items at the next Planning Commission meeting.

G. POLICE DEPARTMENT

- 1) May Police report submitted for Board and resident review.

H. PUBLIC WORKS DEPARTMENT

- 1) May Road Department report submitted for Board and resident review.

I. FIRE DEPARTMENTS

- 1) April Modena Fire Company Fire Chief's Report submitted for Board and resident review.
- 2) April Modena Fire Company Fire Chief's Report – East Fallowfield Calls Only – submitted for Board and resident review.
- 3) May Modena Fire Company Fire Chief's Report submitted for Board and resident review.
- 4) May Modena Fire Company Fire Chief's Report – East Fallowfield Calls Only – submitted for Board and resident review.
- 5) May Westwood Fire Company Fire Chief's Report submitted for Board and resident review.
- 6) May Westwood Fire Company EMS Report submitted for Board and resident review.

J. PARK & RECREATION COMMITTEE

- 1) June 2016 Park & Recreation Committee monthly report submitted for Board and resident review.
- 2) Linda Sarnoski asked the Board to reconsider the structure of the Committee. She said right now the Committee is purely advisory. She said they don't have the proper number of Park & Recreation Committee members. There was a discussion about the quorum requirement and how it works. Mike Crotty said there are five appointed members and a quorum would be three members. Ed Porter stated they can't remove the quorum requirement because it is a requirement of The Second Class Township Code. Mike Crotty explained the quorum requirement and how it works to the Committee. Wanda Korab stated the previous Park & Recreation Committee provided them with a document that stated five members were needed. There was a discussion about having the new committee get access to the Park & Recreation Facebook page. There was a discussion about the Committee assisting with Park Day. Ed Porter spoke about the Master Plan for the Park and whether it needed to be redone. He said there are a lot of things in that Master Plan that residents desired. He asked if this can be modified. Mike Crotty stated it could be revised and that as ideas come up, people can come and

Speak for or against ideas at the Park & Recreation Committee meetings. Pani Martin will coordinate the Park and Recreation Committee getting involved with Park Day planning.

K. LEGAL

1) Employee Handbook.

Ed Porter spoke about Mike Crotty's cost memo regarding the employee handbook. The cost is \$1,500. Mike Crotty said they would not try to codify or resolve the old handbook. Mr. Crotty also stated that Siana Bellwoar has an employee hand book that they can take and tailor for East Fallowfield. Mike Crotty proposed sexual harassment discrimination training for Township personnel. Everything will be in line with the Public Works Department.

MOTION: Steve Herzog moved to authorize the Township Solicitor firm to draft up a new employee handbook. Ed Porter seconded.

VOTE: 4-0

The Board dismissed the Township Solicitor, Mike Crotty at 8:13 pm.

L. HISTORICAL COMMISSION

1) No Report Submitted.

M. TREASURER'S REPORT

1) The May 31, 2016 Treasurer's report was submitted for Board and resident review.

MOTION: Steve Herzog made a motion to approve the May 31, 2016 Treasurer's report as presented. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- a. Ed Porter asked if the Treasurer's report was still prepared in the old method. Pani Martin said yes. Ed Porter asked when the new method will be incorporated. Pani Martin stated it has been difficult and problematic to convert our financials into the DCED accounts. Pani Martin stated she has reached out to the woman who taught the PSATS QuickBooks course and specializes in this type of work. Ms. Martin said she has a meeting with her tomorrow. There was a discussion about how the fee accountant could help with the chart of account conversion. Ed Porter asked Pani Martin how the Township is doing financially. Pani Martin stated the Township is in a good position. Our bank balance is \$955,000. The income and expenses are in proportion. There was a discussion about details of cleaning up the escrow account.

VOTE: 4-0

2) May 2016 payment authorizations.

MOTION: Steve Herzog made a motion to approve the May 2016 payment authorizations for 104 checks in the aggregate amount of \$158,345.88 for the period of May 25, 2016 through June 28, 2016. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- a. Edwin Zeller asked what the checks are for. Pani Martin stated the checks are primarily vendors. Payroll is not a check so it's not included in the payment authorizations. She said payroll has a separate page in the report.

VOTE: 4-0

3) Other Township Business.

- a. Mortonville Grant – Pani Martin said the multimodal transportation grant is being offered again and is due July 31st. She asked the Board if they are interested in pursuing a grant for Mortonville Road. Steve Herzog stated the problem is that we don't have the amount for the required matching funds. Ed Porter asked Tag Gathercole how he would proceed with opening one lane on Mortonville Road. Tag Gathercole explained how it would work. Ed Porter said he'd be willing to ask Mike Crotty about the liability of opening Mortonville Road one way. They discussed eliminating liability by posting weight restrictions. Steve Herzog discussed the possibility of doing the work on Mortonville Road in stages.
- b. CAO (Chief Administrative Officer) for Pension Plan – Pani Martin said we are in the middle of a 3-4 year pension audit. They recommended motioning this for the treasurer position rather than a specific person.

MOTION: Steve Herzog made a motion to appoint the Treasurer, as the Chief Administrative Officer for the Township Pension Plans. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- i. Edwin Zeller asked if the pension was fully funded. Steve Herzog said it is between 90% - 95% funded.
- ii. Ed Porter asked what Pani Martin would be doing as CAO. Pani Martin said she would sign paperwork as needed.

VOTE: 4-0

- c. Hometown Press Contract – Pani Martin said we met with Hometown Press and they gave us a contract. She said we are hoping to put out a newsletter in the fall a month before Park Day. The second edition would be put out in the spring of 2017. A typical newsletter would be 12-16 pages. Some of the pages will be for advertising. Pani Martin said she will ask department heads to write articles. Ed Porter asked about political advertising. Pani Martin stated the Board has a right to determine who can advertise. Political advertisements could be banned.

MOTION: Steve Herzog made a motion to approve the Hometown Press contract committing the Township to two newsletters in the 2016/2017 year. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- i. Ed Porter asked what the total cost will be. Pani Martin said there is no cost to us other than postage. The full color newsletter will be provided to us. Ed Porter asked if the mailings can be run through the postage meter. Pani Martin said we may be better off using a bulk mail rate.
- ii. Steve Herzog asked if they provide an electronic newsletter. Pani Martin stated she thinks they do.

VOTE: 4-0

- d. 2017 – 2020 Regional Household Hazardous Waste Collection – Pani Martin stated the Township is being asked for a recommitment to participate in the southeast regional household hazardous waste collection. The cost would be a proportionate share based on the 2010 census. In the last cycle, all 73 municipalities in Chester County participated. There is no fee amount yet, however, in the past few years the cost has ranged between \$1,500- \$1,750 a year for five local collection events each year.

MOTION: Steve Herzog made a motion to approve participation in the 2017 – 2020 Regional Household Hazardous Waste Collection Program. Ed Porter seconded.

VOTE: 4-0

- e. Budget Meeting Schedule – Pani Martin presented the Board with a proposed budget meeting schedule. The proposed meetings are on workshop dates at 6:00 pm. Steve Herzog stated July 12th is fine at 6:00 pm but the other meetings should start at 5:30 pm to allow more time.

These are the scheduled budget meetings:

July 12th @ 6:00 PM

August 9th @ 5:30 PM

September 13th @ 5:30 PM

October 11th @ 5:30 PM

- f. Tom Josiah Consulting – Escrow Project - Pani Martin discussed a proposal from Tom Josiah Consulting. Mike Crotty had recommended Tom Josiah to help with the escrow accounts. Tom Josiah proposed reviewing the current procedures to improve the process of maintaining the escrow accounts in QuickBooks. She said he estimated 50 hours at \$100 per hour which would be \$5,000. He would need to review the escrow account cash receipt records and bills to rectify the account. This is about finding the \$750,000. Tom Josiah found it impossible to estimate how much time it would take to review prior history to determine what the Township owes or what is owed to the Township. In the process of maintaining the escrow accounts, Pani Martin stated she has an appointment with Diane Patton, who was the instructor of the PSATS QuickBooks seminar, to see how to sort out the process of maintaining the escrow accounts and how to properly set up a new escrow account. Pani Martin said she recently set up a new escrow account to avoid muddling the new escrow account with the old account. She talked about invoicing. Steve Herzog asked if Ms. Patton could consult on this. Pani Martin stated she is going to ask. The Board discussed how the \$750,000 escrow was not emphasized as a priority in the auditor's comments. The auditor put more emphasis on not escheating the \$17,000 to the state.
- g. Other Business – Pani Martin announced to the Board that she is expecting her second child at the end of November.

N. PUBLIC PARTICIPATION

- 1) Edwin Zeller asked who will do Pani Martin's job duties while she is out. Steve Herzog stated the Board and Pani Martin will work that out. Mr. Zeller also brought up the auditor's discussion regarding switching from the modified accrual basis of accounting to the modified cash basis of accounting. He also asked about the audit report and the fee accountant. Mr. Zeller commended Pani Martin for proactively straightening things out. Steve Herzog stated that the fee accountant will validate that the Township books are on track on a quarterly basis. Mr. Zeller asked if a fee accountant would be helping to set up systems. Steve Herzog stated the fee accountant would be a consultant that would review work. Mr. Zeller asked when the conversion to the cash basis of accounting will occur. Pani Martin stated that the auditor will be helping and the books will be retroactively converted back to January 1, 2016. Mr. Zeller also discussed the possible purchase of Eastco's property. Joe Pomorski said the Board does not have a serious interest in pursuing the purchase of that property.
- 2) Joe Pomorski introduced Andrew Johnson who was present at the meeting to earn an Eagle Scout merit badge entitled Citizenship in the Community. The merit badge requirement was to attend a local meeting to see how government works.

3. ADJOURNMENT

MOTION: Steve Herzog made a motion to adjourn the Board of Supervisors meeting at 8:41 pm. Ed Porter seconded. VOTE: 4-0

Respectfully Submitted,

Lisa Valaitis,
Township Secretary