

EAST FALLOWFIELD TOWNSHIP
BOARD OF SUPERVISORS MEETING
December 11, 2018 Approved minutes
6:30 p.m.

Members Present

Steve Herzog, Chairman
Wilson Lambert, Vice Chairman
Joe Heffern, Member
Katja DiRado, Member

Township Staff Present

Scott Swichar, Township Manager
Pani Martin, Township Treasurer

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

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

2. DISCUSSION

A. Speaker by Request.

1) Janet Ruggieri – Yoga Classes.

Ms. Janet Ruggieri, yoga instructor, requested use of the Township meeting room to hold yoga classes. Ms. Ruggieri stated she met with Township Manager Scott Swichar and discussed her using the Township meeting room for her yoga classes. Ms. Ruggieri said she is a beginning yoga instructor, she got her certificate last year, and she has insurance. Ms. Ruggieri said Township Manager Swichar went over insurance requirements with her and she will add the Township as additional insured to her insurance policy. Ms. Ruggieri said yoga classes would be a great form of recreation for the local community. Township Manager Swichar stated he met with Ms. Ruggieri and discussed the possibility of her using the Township meeting room to hold yoga classes. He said that he feels it is a good idea to increase recreation events in the Township. He said the Township would work with her to advertise the classes on the Township website. Township Manager Swichar said they discussed fees as well as a possible revenue split for her use of the meeting room. Chairman Herzog said that the Township has never rented out the meeting room so there are no formal fees in the Township Fee Schedule. He said that Ms. Ruggieri may continue to work with Township Manager Swichar to determine the fees

MOTION: Chairman Herzog made a motion to approve the request by Janet Ruggieri to use the Township meeting room in the evenings for yoga classes subject to the requirement that the Township be named as an additional insured on her insurance, that she will adhere to all rules of conduct and policies set forth by the Township, and subject to the discretion of the Township Manager. Supervisor Joe Heffern seconded.

QUESTIONS AND COMMENTS:

- a. Supervisor Katja DiRado asked Ms. Ruggieri what her class schedule would be. Ms. Ruggieri said that due to the Township's meeting schedule and room availability, she will hold her classes

on Thursday nights. She is considering doing Gentle Yoga at 5:30 p.m. and Power Yoga at 6:30 p.m.

- b. Supervisor Wilson Lambert asked how much her yoga classes will cost. Ms. Ruggieri said she will be charging \$10 - \$18 per class at least initially. Ms. Ruggieri said she is considering offering a special such as 10 sessions for \$80. Township Manager Swichar asked Ms. Ruggieri to consider offering a discount to East Fallowfield Township residents to encourage residents to participate.
- c. Supervisor Heffern stated he loves the idea. He said the idea of opening a small business in the Township is great! It is also wonderful that this activity benefits Township residents. Supervisor Heffern said that Janet Ruggieri could consider using the Park in warmer months.
- d. Supervisor Lambert said that this is a good thing for the community. People that do not want to drive to Downingtown or Exton may attend these yoga classes.

VOTE: 4-0

B. Township Manager Report.

1) Trash Discussion/Updates.

Township Manager Swichar stated that the Township is moving forward with implementation of the new trash program. The Township office sent out a postcard to residents regarding the new trash program. Advanced Disposal is moving forward with implementation. They are scheduled to deliver the new 96-gallon recycling containers next week. They will also put printed instructions and recycling information on the totes. Recycling pick-up will still be on Fridays and recycling will be unlimited. Republic Services owns the 65-gallon recycling totes and they will be picking them up during the last two collections in December. Advanced Disposal will be purchasing and rebranding the existing trash totes. Advanced Disposal will be maintaining these containers.

2) Resident Letter from Allen W. Mummert Jr. – Trash Opt Out Request.

Township Manager Swichar stated the Township received a trash opt out request letter from Township resident Allen W. Mummert Jr. Township Manager Swichar stated under the Township Ordinance, only commercial and mixed-use properties are eligible for a trash bill exemption. Township Manager Swichar reported that he spoke with Mr. Mummert last week and explained to Mr. Mummert that the trash exemption is for non-residential and mixed-use properties. Mr. Mummert states in his letter that he is not using the Township trash service. Chairman Herzog stated trash contract pricing is based on a specific number of residents in the Township. There was also a discussion about what this resident is doing about trash disposal if he is not using the Township's trash service. Township Manager Swichar stated that granting an exemption will set a precedence. The Board of Supervisors discussed Mr. Mummert's trash opt out request. The Board of Supervisors did not grant the request.

3) Discussion – Adding Trash Bill to County Bill.

Township Manager Swichar reported he and Township Treasurer Martin met with Robin Purnell from the Chester County Treasurer's Office. At this meeting, they discussed adding the Township's residential trash fees to the County tax bills. The Township is currently using MuniBilling for residential trash billing. Residents are currently offered a quarterly billing option and delinquent accounts are sent to Portnoff & Associates. The Township would save \$18,000 per year by eliminating MuniBilling and using the County for trash billing. The Township would eventually no longer need Portnoff & Associates because the County will collect delinquent money. Township Manager Swichar stated under this new billing method, a resident could escrow their trash bill and the bill would be paid as part of their mortgage. There would no longer be a quarterly billing option under the County billing system. The County mails bills in February. There is a 2% (\$5.50) early payment discount for paying the bill in full in February or March. If a resident pays their trash bill in April or May, they would pay \$275. Payments made after June 1 would be charged a late fee of \$28 to the County plus a 10% late fee to the Township. Township Treasurer Martin reported she did a tax

payment analysis and determined that 80% of residents pay their tax bills within the 2% discount period. Therefore, more people will pay their trash fee early under the County billing system. Township Manager Swichar said they sent the County the Township's list of accounts and the County has determined they are able to do the billing. An intergovernmental agreement will need to be executed to implement the County trash billing system. Notice needs to be provided to the County in early January.

C. Township Strategic Planning Steering Committee Resolution.

MOTION: Chairman Herzog made a motion that the Township approve Resolution 2018-26, establishing the East Fallowfield Township Strategic Planning Steering Committee. Supervisor Lambert seconded.

QUESTIONS AND COMMENTS:

- 1) Chairman Herzog stated this committee is an advisory only committee responsible for long-term Township planning. The Committee will be responsible for creating 1-year, 5-year, 10-year, and 20-year plans for development, businesses, Township improvements, funding sources, increasing revenue streams, and presenting recommendations to the Board of Supervisors. Committee members may consist of Board of Supervisor members, members of any other Township committee, Township employees, and Township residents. The Committee will consist of seven members.
- 2) Supervisor DiRado asked about budgeting funds for committee members to attend training seminars. Township Treasurer Martin stated there is a separate training budget for each department and committee.
- 3) Supervisor Heffern asked how this committee differs from the Township's Planning Commission. Chairman Herzog stated this committee will not be bogged down with subdivision and land development and zoning applications. This committee will involve speculative thinking and planning for the Township's future. Supervisor DiRado stated committee members would be encouraged to make community connections with organizations such as the Western Chester County Chamber of Commerce, and economic development councils.

VOTE: 4-0

D. Ridgecrest Escrow Release No. 3.

MOTION: Chairman Herzog made a motion that the Township approve Escrow Release No. 3 for the Ridgecrest Residential Subdivision, in the amount of \$121,898.66. Supervisor Lambert seconded.

QUESTIONS AND COMMENTS:

- 1) Supervisor DiRado said that the escrow release requests have been monthly. She asked if this is common. Rouse Chamberlin representative Greg Graham stated that this pace will continue until base paving is completed. Once that is done, the pace of escrow release requests will slow down.

VOTE: 4-0

E. 2019 Budget.

- 1) Budget Presentation – Township Manager Swichar.

Township Manager Swichar presented the 2019 proposed budget to the Board of Supervisors. He stated this is the second 2019 proposed budget reading. The first 2019 budget reading was on November 13.

a. 2019 Budget Highlights.

- There is no fund balance being proposed as revenue in the General Fund operating budget.
- The 2019 proposed budget is a balanced budget.
- The 2019 General Fund budget is \$3,739,610.
- The 2019 budget contains no increase in real estate taxes. The millage will remain at 3 mills (general millage is 2 mills, fire is 0.56 mills and ambulance service is 0.44 mills).
- The Board of Supervisors awarded a 3-year contract to Advanced Disposal in the fall. After the last five years with no trash fee increase, there will be a \$65 rate increase which will increase the annual residential trash fee from \$210 per year to \$275 per year. East Fallowfield Township has had one of the lowest rates in Chester County. In the past, the trash service was not self-sufficient and was being subsidized by the General Fund. The proposed trash fee for 2019 of \$275 will cover Advanced Disposal's contracted expenses for trash collection, administrative trash disposal fees, recycling costs, billing fees, and other expenses incurred from collection of yard waste and trash. Residential customers will see an increase in service with a new 95-gallon recycling toter as opposed to the current 65-gallon recycling toter.
- The Township will continue to make improvements and invest in infrastructure in 2019. The Township will also continue to modernize and increase office productivity and \$10,000 is budgeted for office record scanning. Infrastructure projects included in the 2019 proposed budget are road improvements of \$275,000, two new police vehicles, and \$210,000 for restrooms in the East Fallowfield Township Community Park (\$125,000 will come from the DCED Greenways Grant).
- The Township expects to end 2018 with a General Fund surplus of \$140,628. Township Manager Swichar stated he plans to discuss moving this surplus to the Capital Projects Fund at the December 18, 2018 Board of Supervisors meeting.

b. General Fund Highlights.

- The 2019 proposed General Fund Budget is \$3,739,610.
- The 2018 adopted General Fund Budget is \$3,632,110.
- This is a 3% increase of \$107,500 between the 2018 and 2019 General Fund budgets.

c. General Fund Revenue Highlights.

- In 2019, General Fund Revenue will be \$3,739,610. Expenditures will be \$3,738,320. This is a 3% increase from the 2018 budget.
- The General Fund Budget proposes to balance the budget without using any fund revenue as operating revenue.
- No proposed increase to municipal millage.
- Property Tax Assessment for East Fallowfield Township has decreased slightly from \$404,043,821 in 2018 to \$402,844,451 in 2019.
- Budgeted revenue is projected to increase by 5.92% due to efficient collection of tax revenues.
- Earned income tax is budgeted to decrease 7.73% in 2019. The 2018 earned income tax was budgeted for \$1,282,346 and the 2019 earned income tax is budgeted for \$1,183,200. The decrease is due to earned income tax being over budgeted in 2018 and more accurate projections from our tax collector, Keystone Collections.
- State share of revenue, which is pension aid from the state, is budgeted for \$99,000 in 2019. This reflects a \$40,900 decrease from the 2018 share of revenue of \$140,800. The MMO (Minimum Municipal Obligation), which is the portion the Township is responsible for, is budgeted to decrease in 2019 as well.
- Trash sanitation revenue is budgeted to increase by \$174,920 in 2019. In 2018, \$607,980 was budgeted and the 2019 projection is \$782,900. The increase reflects the proposed residential trash billing increase from \$210 to \$275 which will make the trash program self-sufficient.

- Investment income increased from \$6,200 in 2018 to \$18,000 in 2019. The reason is anticipating additional interest rate increases to the Federal Rates Fund as well as moving all the Township bank accounts to Fulton Bank.
- The overall 2019 revenues are projected to increase slightly from \$3,632,110 in 2018 to \$3,739,610 in 2019. The overall increase in revenues is \$107,449.

d. 2019 General Fund Expenditure Highlights.

- The 2019 General Fund Expenditure is \$3,738,320. This includes a \$67,000 transfer to the Capital Projects Fund next year to fund capital improvement projects. Development of the Capital Budget is new this year.
- Healthcare costs are not expected to increase next year. The reason for this is the Township's healthcare claims history has stabilized.
- A 3% contractual wage increase is budgeted for the Public Works Department employees that belong to the Teamsters Union. The Teamsters Contract expires at the end of 2019.
- A 3% salary increase was budgeted for police officers. The Township is still currently in contract negotiations which is expected to settle early in 2019.

e. Liquid Fuels Fund Budget Highlights.

- The 2018 Liquid Fuels beginning balance was \$203,365.
- The 2018 estimated revenue was \$297,347 (budgeted to receive in 2018).
- The 2018 budgeted expenditures were \$416,387 (\$119,040 was from reserves).
- The projected reserves at the end of 2018 are \$84,324.

f. Liquid Fuels Fund Highlights.

- \$200,000 is budgeted for road paving.
- Diesel fuel rates are expected to jump up next year which is reflected in the 2019 proposed budget.
- The 2019 proposed budget includes a new dump truck for the Public Works Department. The Township intends to get rid of the T-1 and T-6 vehicles (1997 and 2003 dump trucks).

g. Capital Projects Fund Highlights.

- In the past, capital purchases were incorporated into the General Fund. New this year, the budget includes a multi-year capital budget, which was developed to reflect costs associated with Township infrastructure, major improvements, and equipment. This helps with planning and assessing current and future capital needs of the Township.
- The 2019 proposed budget for the Capital Fund is \$273,252.
- The 2019 proposed budget includes a transfer of \$67,000 from the General Fund to the Capital Fund to pay for capital improvements.
- The 2019 Capital Projects budget includes:
 - \$75,000 for road paving.
 - Two existing leased police vehicles.
 - Two new police vehicle leases.
 - New roof for the Township Building.
 - Fuel Master / Fuel Pump System.
 - Alamo Side Mower for TR-3.

h. Millage Distribution.

- The following is the distribution of East Fallowfield Township residents' taxes:
 - Coatesville Area School District – 36.7537 mills.
 - East Fallowfield Township – 3.00 mills.
 - Chester County – 4.3690 mills.

i. Budget Questions & Comments.

- Chairman Herzog asked what was causing the high trend for the last two years in the Miscellaneous Revenue Account #389.00. He asked if that account needs to be budgeted for a higher amount. Township Treasurer Martin stated this account is primarily for workers compensation insurance reimbursements. Township Treasurer Martin said it is too variable to increase the budgeted amount.
- Chairman Herzog asked about the 457 Plan Account #401.197. Township Treasurer Martin stated that this account is for Township Manager Swichar because he has a 457 Plan rather than a pension.
- Chairman Herzog asked what the Tax Collection Committee Account #403.430 is for. Township Treasurer Martin stated the Chester County Tax Collection Committee is part of a county-wide coalition that East Fallowfield Township is part of. The Tax Collection Committee works with Keystone Collections and is related to earned income tax.
- Chairman Herzog asked what the FICA/Medicare Account #405.192 is for. Township Treasurer Martin stated this account is related to hiring Township Manager Swichar.
- Chairman Herzog asked if there is something specific being budgeted for in the Office Supplies Account #406.21. Township Treasurer Martin stated a new sound system and microphone system is included in that account along with general office supplies.
- Supervisor Heffern asked what the charges are in Other Services and Charges Account #411.31. Township Treasurer Martin stated the largest expenses that hit that account this year are the recruiting costs from Lafayette College associated with Township Manager Swichar.
- Chairman Herzog asked if the Printing/Newsletter Account 406.342 is budgeted for if the Township is not able to get the newsletter for no cost. Township Treasurer Martin stated that account is for printing costs.
- Supervisor DiRado asked if the Township is going to sell copies of the official map. Township Treasurer Martin stated there are no plans to sell the Official Maps at this time. There is a link to the map on the Township website.
- Supervisor DiRado stated the Township might want to start scaling back on the library donations in future years. Chairman Herzog said that the library donation of \$8,000 is already low. Township Manager Swichar suggested having the library to do a presentation at a Board of Supervisors meeting. Supervisor DiRado discussed some ideas for community library events.
- Chairman Herzog asked why the Bank Fees Account #406.392 has gone up significantly. Township Treasurer Martin stated that both the interest rates and bank fees have increased. In 2018, the bank interest earned was \$18,000 and bank fees were \$10,000. Supervisor DiRado said that Citadel services municipal accounts. There was a discussion about changing banks. Chairman Herzog stated there are a lot of expenses and fees when changing banks.
- Supervisor Lambert asked what actual assets the Township holds. The Township owns a lot of vehicles and has been replacing vehicles. He commented that going forward, a goal should be to have a list of Township assets. Chairman Herzog commented that the capital project plan that Township Swichar implemented is useful in managing the Township vehicles. Supervisor DiRado stated that she would also like a list of Township assets. Township manager Swichar stated the newly implemented capital budget will have more components such as an asset list in the future.

2) Approval of 2019 Budget.

MOTION: Chairman Herzog moved that the Township approve the 2019 budget, as presented. Supervisor Heffern seconded.

VOTE: 4-0

3) 2019 Tax Resolution Establishing Real Estate Millage.

Chairman Herzog stated that the real estate millage is not increasing in 2019. A real estate millage resolution is required every year.

MOTION: Chairman Herzog moved that the Township approve Resolution 2018-25, establishing the Township property tax rates for 2019 as follows: 2.00 mills general millage; 0.44 mills emergency services millage; and 0.56 mills fire tax millage. Supervisor Heffern seconded.

VOTE: 4-0

4) Intersection of West Chester Road and South Bailey Road.

Supervisor Heffern thanked Township Manager Swichar and Public Works Road Foreman Tag Gathercole for the newly installed signs at the intersection of South Bailey Road and West Chester Road. The new signs read "cross traffic does not stop".

5) Intersection of West Chester Road and South Caln Road.

Chairman Herzog asked about the status of the engineering study that Traffic, Planning and Design has been working on regarding the intersection of West Chester Road and South Caln Road. Township Manager Swichar stated he will call for an update. Chairman Herzog discussed the water runoff problems at that intersection. Supervisor DiRado spoke in favor of putting in a small roundabout at this intersection. Intersection improvement ideas and components of the past studies were also discussed.

3. ADJOURNMENT

MOTION: Chairman Herzog made a motion to adjourn the Board of Supervisors meeting at 7:59 p.m. Supervisor Lambert seconded.

VOTE: 4-0

Respectfully Submitted,



Lisa Valaitis,
Township Secretary