

EAST FALLOWFIELD TOWNSHIP
BOARD OF SUPERVISORS MEETING
November 7, 2022 Approved Minutes
6:30 p.m.

Members Present

Joe Heffern, Vice-Chairman
John Nielsen, Member
Al Wright, Member

Township Staff Present

Scott Swichar, Township Manager

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

Vice Chairman Heffern called the meeting to order at 6:36 PM.

There was an executive session on November 7, 2022 regarding personnel matters.

2. DISCUSSION

A. TREASURER'S REPORT

1) Payment Authorizations.

MOTION: Supervisor Nielsen made a motion to approve the Payment Authorizations for the period of October 26, 2022 through November 7, 2022 in the total amount of \$ \$98,145.84 as presented. seconded. Supervisor Wright seconded.

VOTE: 3-0.

3. TOWNSHIP MANAGER'S REPORT

1) Police Association Memorandum of Understanding (MOU).

Township Manager Swichar stated that the proposed MOU provides a starting rate of \$25.50 for all part time officers who are in field training or have completed 6 months of service.

Township resident Clarence Rhoades asked a question about the proposed rate for part-time police. He questioned how many part-time officers.

Supervisor Wright questioned if incoming officers are making more money than existing part-time officers.

Treasurer Breslin stated no.

MOTION: Supervisor Wright moved that the Board approve and authorize the execution of the Memorandum of Understanding between the Township and the East Fallowfield Township Police Officers' Association, in the form as presented. Supervisor Nielsen seconded.

VOTE: 3-0

2) 2022 Budget Overview and Workshop.

Township Manager Swichar provided an overview of the 2023 budget schedule. He stated there is no real estate tax increase proposed. There is a proposed annual trash fee increase from \$275, which is the current fee, to \$310. 2023 General Fund Revenues are: \$2,634,741. The 2023 general fund revenue is \$109,952 greater than 2022 General Fund Revenue of \$2,524,789 This is attributed to increased Real Estate property taxes and increased Earned Income Taxes (EIT). Chester County, which includes East Fallowfield Township was not impacted by economic fallout from COVID-19.

The 2023 budgeted General Fund Expenditures of \$2,701,161 are \$139,229 greater than 2022 General Fund Expenditures of \$2,561,932. The increase in expenditures is largely attributed to increased personnel costs and pay increases as well as increased health insurance premiums.

The proposed 2023 budget includes continued investment in infrastructure. The township has budgeted \$240,000 for road paving in 2023, fuel master pump system (\$70,000), The township is in the process of purchasing land for a future municipal complex, and the capital budget reflects \$100,000 for land development expenses related to the property.

Township had budgeted a 4% increase in healthcare costs for employees,

The township budgeted an operating deficit of \$67,120 in the 2023 budget. The township budgeted a \$10,000 operating deficit in the fire/EMS fund for 2023 as there are additional expenses related to Advanced Life Support services that are being provided by Westwood.

Mr. Swichar provided an overview General Fund administration expenses. The budget line item starts at 400. This part of the budget includes salaries for administrative staff including the treasurer, health benefits, and items like postage and a copier that are needed to run the township.

The proposed 2023 overall Administration budget is \$541,528 , which is only 2% more than the 2022 administration budget of \$530,811. The township is always looking for ways to reduce expenses and will continue to do so. 3% salary increases are proposed for non-union staff.

Mr. Swichar provided an overview of the police budget. The police budget starts at line 410.

The 2023 police Budget is \$1,485,386, which represents 55% of the General Fund budget.

The 2023 budget reflects 7 full-time officers (5 ft officer, 1 sergeant, and one chief), staffing levels are budgeted to remain as they are now. Salaries are the largest expense in the police budget. Per the collective bargaining agreement, salaries will increase 3% next year.

The police budget also includes a \$19,157 pay increase for one ft police officer that will transition from class b to class a. The township offers a medical opt payment for full time police officers who waive their medical coverage. This a cost savings measure for the township. The township budgeted \$7,579 which represents the payment to one FT police officer who waives his health benefits.

The 2023 training budget (which is 410.460) was increased from \$2,500 to \$8,000 next year. There is a sergeant who is interested in attending the Northwestern School of Leadership and Command next year. The township anticipates increased training will be needed with the hiring

of a new chief. The township has added a new line item to the budget, Police Community Relations (which is the last line on the police budget). This line reflects the need for improved relations with the community.

Mr. Swichar provided an overview of the 2023 proposed public works budget which is \$502,053. Public Works is 19% of General Fund budget. The Township is currently negotiating a new contract with Teamsters, the union that represents the road crew.

Mr. Swichar provided an overview of the 2023 proposed Fire/EMS budget. Tax for Fire/EMS is currently 1 mill. .56 mills is allocated for fire, and .44 mills is allocated for EMS. The Fire/EMS budgeted reflects revenues of \$451,232, and expenditure of \$461,121. The Fire/EMS expenditure increases from \$392,480 (2022) to \$461,121 (2023). The increase is due to the projected expense of township wide ALS service. Westwood is requesting an additional \$25,408 for ALS. This is on top of the \$24,000 the township is already paying them. The township budgeted a \$10,000 operating deficit in the fire/EMS fund next year, due to the increased ALS payments to Westwood.

Mr. Swichar stated that there were concerns from the Board about raising the Fire/EMS tax while also proposing a fee increase for trash. There are enough reserves in the Fire/EMS account to sufficiently cover the addition of the ALS expenditure in 2023. Mr. Swichar recommended using Fire/EMS reserves in 2023 and revisiting the EMS tax in the 2024 budget. Mr. Swichar stated that the Township will likely need to increase EMS Tax to .50 or reduce capital contribution (currently \$73,200/year) at a future date to fund the provision of ALS services. Mr. Swichar stated that the township is budgeted to draw \$10,000 in reserves in lieu of raising the Fire/EMS tax.

There was a board discussion about the proposed 2023 Fire/EMS Budget.

Mr. Swichar provided an overview of the 2023 proposed Liquid Fuels budget. He stated that the liquid fuels allocation are dollars from the state used for maintenance, snow plowing, and reconstruction of township roads. The 2023 Estimated Liquid Fuels Allocation is \$284,517. This revenue is \$8,954 more than 2022 allocation of \$275,563. The 2023 Liquid Fuels revenue Budget is \$349,438 and expenditures are \$348,050. This reflects a balanced budget for 2023. The Township budgeted a loss of \$68,292 in 2022, but projects a loss of \$85,523 due to increased paving costs.

Mr. Swichar provided an overview of the 2023 proposed Trash budget. The township's expenses related to trash continues to escalate. The contract with Waste Management will expire next year. The hauling expenses with waste Management are budgeted to increase from \$426,145 this year to \$477,000 in 2023. Disposal costs are projected to increase from \$240,750 this year to \$265,000 next year.

After three years of building up cash reserves, the township expects its first small deficit in 2022. The Township is projecting a large deficit of \$63,246 in 2023 should the current trash fee remain at \$275. The township has kept its trash fee steady at \$275 for 4 years. Mr. Swichar recommended that the trash fee be increased from \$275 /year to \$310 year. This will prevent the township from tapping into its reserves next year to fund trash related expenses.

Mr. Swichar stated that the average trash fee in Chester County in 2021 was \$309/year. Mr.

Swichar reached out to DEP to discuss technical assistance to reduce expenditures.

Mr. Swichar stated the average township resident pays for their township real estate tax as well as the trash fee.. The average resident pays a total of \$602.78 year for their real estate tax and \$275 for trash, which amounts to \$877.78 for all township services.

Mr. Swichar provided an overview of the proposed 2023 park and recreation budget. Mr. Swichar stated the only guaranteed revenue that the township receives for park and recreation are fees paid from new construction. The township budgeted \$10,000 for a memorial pollinator garden, \$7,000 for a 2023 summer concert series in the park and \$1,000 for landscaping and shade tree replacement.

Mr. Swichar stated that the proposed 2023 Capital Fund Budget includes a Fuel Master Pump System for \$70,000; Roadway condition survey for \$10,000; Recycling Containers \$225,389; New Police Vehicle \$55,000; Preliminary Engineering for New Township Building \$100,000; Update Township Website: \$20,000; Servers for Administration and Police: \$21,000; Traffic Speed Display Boards: \$8,000.

Mr. Swichar provided an overview of the 2023 ARPA Fund. The township received \$796,000 in ARPA funds. The township has spent \$203,000 from the ARPA fund to purchase a backhoe, police car, and lawn mower, which leaves approximately \$575,000 in the ARPA Fund. In 2023, the Township budgeted \$300,000 for expenses related to a new municipal complex, which included the purchase of land. The township also budgeted \$248,500 for stormwater improvements for Newlinville. The township contracted with Inland Design last spring for a drainage study of Newlinville. The township is waiting for the final report which is due this month to help guide the township on next steps. The township also budgeted \$60,000 for a new park gazebo for summer concerts. A \$10,000 grant for the gazebo will be received from Brandywine Conservancy toward the purchase of the gazebo.

Mr. Swichar provided an overview of the reserves that are projected for every fund at the end of 2022 as well as the budgeted reserves for the year ending 2023. Mr. Swichar stated the general fund is in a strong position with good fund balance. He projects a general fund balance of \$2,458,050 at the end of 2022. This number includes a proposed transfer of \$350,000 to the Capital Fund in 2022. The township budgeted a loss of \$67,120 in 2023, so he budgeted that the balance at the end of 2023 will be \$2,390,930.

Mr. Swichar stated that Government Finance Officers Association (GFOA) generally recommends that local governments maintain at a minimum an unrestricted general fund balance of no less than 2 months of regular general fund operating revenues or regular general fund operating expenditures. Mr. Swichar stated that all township funds are well above the recommended minimum fund balance.

For Liquid Fuels, the township anticipates ending 2022 with \$243,860 in the bank and using \$19,612 in reserves next year. He projects that the bank balance will be \$224,248 the end of

2023.

For Fire/EMS, the township anticipates ending 2022 with \$395,358 in the bank. However, the township has been setting aside \$73,200 a year for capital projects for the fire companies. The township expects to end 2023 with \$139,880 in the Fire/EMS bank account

In the trash fund, the township projects ending 2022 with \$278,364 in the bank. If the township raises the trash fee to \$310, the township expects the bank balance will be \$300,245 at the end of 2023.

In the park and recreation fund, the township project the ending balance for 2022 will be \$286,116. The township expects to end 2023 with 280,502 in reserves.

The township budgeted to spend all ARPA the funds in 2023.

In the capital fund, the township expects to end the year with \$767,414. The Township is in the process of seeking reimbursement from DCED and PennDOT for Mortonville Road work. The township budgeted an ending balance of \$491,172 for 2023.

Township expects to end 2022 with a surplus in the General Fund. EIT, building permit fees and R/E taxes outperformed budget estimates in 2022. Expected revenues in 2022 are \$262,211 over the 2022 budget. Mr. Swichar will be recommending a transfer of \$350,000 from the general fund to the capital fund to pay for capital projects next year. When the board meets in December, the board may want to transfer more funds from the general fund to the capital fund.

4. OLD BUSINESS:

5. NEW BUSINESS

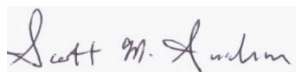
6. PUBLIC PARTICIPATION: Township resident, Clarence Rhoades, asked various questions. There was a board discussion related to his questions.

7. ADJOURNMENT

MOTION: Supervisor Wright made a motion to adjourn the November 7, 2022 of Supervisors Meeting at 7:56 PM. Vice Chairman Heffern seconded.

VOTE: 3-0.

Respectfully Submitted,



Scott Swichar,
Township Manager/Secretary