

EAST FALLOWFIELD TOWNSHIP
BOARD OF SUPERVISORS MEETING
May 24, 2016 Approved minutes
7:16 PM

Members Present

Steve Herzog, Chairman
Ed Porter, Vice Chairman
Carol Kulp, Member
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 7:16 pm.

2. DISCUSSION

A. APPROVAL OF MINUTES

1) January 26, 2016 Board of Supervisors Workshop minutes.

MOTION: Steve Herzog made a motion to approve the January 26, 2016 Board of Supervisors Workshop minutes as presented. Ed Porter seconded.

VOTE: 5-0

2) April 26, 2016 Board of Supervisors meeting minutes.

MOTION: Steve Herzog made a motion to approve the April 26, 2016 Board of Supervisors meeting minutes as presented. Ed Porter seconded.

VOTE: 5-0

3) May 10, 2016 Board of Supervisors Workshop minutes.

MOTION: Steve Herzog made a motion to approve the May 10, 2016 Board of Supervisors Workshop minutes as presented. Ed Porter seconded.

VOTE: 5-0

B. CITIZENS BY REQUEST

- 1) John Zwirzina – Movie Night in the Park – John Zwirzina spoke to the Board about requesting permission to use East Fallowfield Park to host a movie night in the park. He stated he just moved to East Fallowfield Township. Steve Herzog asked if Park & Recreation Committee would normally be in charge of this. Mike Crotty said this would typically be run through the Park & Recreation Committee however, there is no Park & Recreation Committee yet. John Zwirzina stated he has done three events in West Chester. He said they have shown PG movies like Despicable Me 2. In West Chester, they typically had 250 people attend. This will not cost the Township anything. Our insurance covers it. John Zwirzina stated he was interested in holding the event on September 16, 2016. Joe Pomorski asked what potential liability the Township might have. Mike Crotty asked John Zwirzina to submit an insurance certificate and he will review it before the next meeting. Steve Herzog stated it sounds like a great idea and kids love it. Ed Porter asked John Zwirzina if he would be interested in joining the Park & Recreation Committee. John Zwirzina said he would. Steve Herzog asked if there is a residency length requirement for joining the Park & Recreation Committee since John Zwirzina is a new East Fallowfield Township resident. Mike Crotty said there is no requirement stated in the The Second Class Township Code.

C. PARK & RECREATION COMMITTEE

- 1) No Report – No Meeting.
- 2) Committee Applicants – Steve Herzog asked each applicant why they are interested in joining the Park & Recreation Committee.
 - a) Pete Sinkler said we have a nice park and a lot more things could be done with it if we have volunteers. We could move forward with the plans submitted. He also mentioned a basketball court, baseball field, soccer field, and picnic area. He mentioned possibly starting a little league baseball tournament. He stated it would be great for our community. Steve Herzog asked Mr. Sinkler if he is able to attend one or two meetings per month. Pete Sinkler said attending the meetings is not a problem.
 - b) Kevin Walls stated that he just moved here in June of last year. He said he wanted to get involved with the community. He said he is an active outdoor person. He'd love to volunteer and see what he can do to help out. Steve Herzog asked Mr. Walls if he can attend one or two meetings per month. Mr. Walls said he has no problem with attending two meetings.

MOTION: Steve Herzog made a motion to appoint Kevin Walls, Pete Sinkler and John Zwirzina as members of the Park and Recreation Committee. Joe Pomorski seconded.

VOTE: 5-0

Ed Porter asked Lisa Valaitis to send an email to all five Park & Recreation Committee members to tell them they have enough members to hold a meeting. Steve Herzog stated that the Park & Recreation Committee will need to appoint a Chairman, Vice Chairman and Secretary at their first meeting. Ed Porter volunteered to attend the meeting.

D. ZONING HEARING BOARD

- 1) Applicant for open seat – Nelson Walter – Steve Herzog asked Nelson Walter to say a few words about why he'd like to serve on the Zoning Hearing Board.

Nelson Walter spoke to the Board about his interest in serving on the Zoning Hearing Board. Mr. Walter stated he would like to serve in the Township. He stated he recently was appointed to the Vacancy Board but there hasn't been much call for that. He'd like to take the opportunity to do something else for the Township. Mike Crotty stated Mr. Walter would have to resign from his position on the Vacancy Board to serve on the Zoning Hearing Board. Nelson Walter stated he would send his resignation letter for the Vacancy Board to Lisa Valaitis. Steve Herzog asked Nelson Walter if he had any relevant experience. Mr. Walter stated he did not. He briefly discussed his work experience which included 30 years of management experience. Steve Herzog asked Mike Crotty if there are any professional requirements for serving on the Zoning Hearing Board. Mike Crotty said no.

MOTION: Steve Herzog made a motion to appoint Nelson Walter to the Zoning Hearing Board. Joe Pomorski seconded.

QUESTIONS AND COMMENTS:

- a) Dennis Crook asked if this decision would have to go through the Zoning Hearing Board members for their input. He said the other committees and boards have input on new members. The Planning Commission considers new applicants for membership and then makes a recommendation to the Board. Mike Crotty stated the Board of Supervisors makes this decision.

VOTE: 4-1 (Steve Herzog, Carol Kulp, Wilson Lambert and Joe Pomorski voted yea. Ed Porter voted nae.)

E. LEGAL ISSUES

1) Holland Conditional Use Application.

Mike Crotty stated a continuation of the Holland conditional use application will be held on Tuesday, June 14, 2016 at 5:30 pm. No Board action is required at this time.

2) Johnston Lot 2 Stormwater Management Agreement.

Mike Crotty stated the Johnston's are still waiting to obtain County and State approval of their plan. This will be tabled until the next Board of Supervisors meeting.

3) Ratification of Holdover April Check Approvals.

Mike Crotty stated it was discovered that there was a page of checks missing from the list of March bills last month. To approve and ratify those 27 checks, we have a motion for the Board to make.

MOTION: Steve Herzog made a motion to ratify the 27 checks/charges in the aggregate amount of \$11,674.52 for the period of March 20, 2016 through April 23, 2016. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- a) Sharon Scott stated she found this troubling. She asked how it was found and what went wrong. Mike Crotty stated that the payment sheet was inadvertently left out of the March payment authorizations. Mike Crotty said the Treasurer found the mistake and immediately reported it to his office and the Board. The payment authorization motions will be changed going forward to avoid this mistake occurring again. With the new motion being used, this mistake would be more easily caught. Sharon Scott said this is another red flag on the financial condition of the Township.
- b) Ed Porter asked Pani Martin to explain what happened. Pani Martin stated she missed a page of payments in the March payment authorizations. When she was going through the checks at the end, she was looking for a check and noticed that check was missing on the Check Register and then she noticed the page was missing.

VOTE: 4-1 (Steve Herzog, Ed Porter, Wilson Lambert and Joe Pomorski voted yea. Carol Kulp voted nae.)

4) Teamster Collective Bargaining Agreement.

Mike Crotty said the Teamster's Collective Bargaining Agreement has been finalized and the Public Works Department will be receiving 3% wage increases over the next four years until 2019. New hires will be hired at a wage rate of 15% less than existing employees. Employees will continue to contribute 10% to their healthcare plan. They agreed to make a medical plan change. As a result, there will be approximately a \$28,000 savings in health care costs for the Township on an annual basis. There will be a reduction in vacation and sick leave for new employees. Two holidays have been eliminated. Mike Crotty stated the agreement provides strong managerial language that keeps the Township in control of the Public Works Department.

Mike Crotty explained the two motions. He said one motion is to approve the Collective Bargaining Agreement and allows the Chairman to execute it. The second is to authorize the transfer of the Public Works Department from their current medical insurance plan to the Teamster's medical insurance plan. Pani Martin reported she spoke to the Teamsters representative who requested the Public Works Department transfer to the new health care plan effective June 1st. Pani Martin stated she spoke with the insurance company and this is possible. However, the insurance company suggested a later date. Mike Crotty spoke in favor of June 1st because the rate may change starting in July. Mr. Crotty recommended transferring the Public Works employees over to the new health care plan as soon as possible to be conservative and to get the lower rate for the Township.

PROPOSED MOTION 1: Steve Herzog moved to approve the Collective Bargaining Agreement between East Fallowfield Township and the Teamsters Local 312, affiliated with the International Brotherhood of Teamsters, effective January 1, 2016 through December 31, 2019, in the form presented and, further, authorize the Chairman of the Board to execute the CBA on behalf of the Township. Joe Pomorski seconded.

QUESTIONS AND COMMENTS:

- a) Erwin Zeller asked for detail regarding what employees are covered under the Collective Bargaining Agreement. He also asked if the wage increase is 3% over the course of a four year term or every year. Is this an improvement for the tax payers of the Township? Mr. Zeller asked if the police contract is separate. Mike Crotty said the 3% annual increase is annually. Mike Crotty also stated this agreement is for the Public Works Department and the Police Department has a separate Collective Bargaining Agreement. Mr. Zeller asked who represents the tax payers in this process. Steve Herzog stated that all of the Board has been involved in the whole process and Siana Bellwoar has worked for the Township to do the labor relations. Mr. Zeller spoke about the 3% increase being very generous and above the cost of living increase. Mr. Zeller stated that the Board has to consider the tax payers that they represent and balance the costs and work with the employees. Steve Herzog stated there is a net savings to this Collective Bargaining Agreement because of the Public Works Department moving to the Teamster's health care plan. Mike Crotty stated a 3% increase is consistent with the history of the raises Public Works has been getting and is also consistent with other municipalities' Public Works Departments. Mike Crotty said it did not include signing bonuses, snow plow and other additional fees that had been requested by the Collective Bargaining Unit. Erwin Zeller asked about the pension plan and if the employees contribute. Steve Herzog stated they have a defined benefits pension through PMRS. Tag Gathercole said they contribute 5%.
- b) Sharon Scott said that she feels the first initial Teamsters Collective Bargaining Agreement for the Public Works Department is a lawyer created money maker. She said all this does is put money in the lawyers' pockets. Road Department employees made a fair wage and had fair benefits. There was no need to have a union formed.
- c) Ed Porter said the Board did negotiate the best they could during the process. The Public Works Department is allowed to unionize and the Board could not prevent that. He stated he thinks the Board did the best job they could during these negotiations on behalf of the residents. It is not an easy process. There isn't much we could do other than generate more legal fees to continue battling this.

VOTE: 5-0

PROPOSED MOTION 2: Steve Herzog moved that the Township authorize the transfer of the current health insurance plans for the Public Works employees to the Teamster's Health and Welfare Fund health insurance plan. Joe Pomorski seconded.

QUESTIONS AND COMMENTS:

- a) Edwin Zeller asked if the secretaries and administration are part of the union. Steve Herzog stated no. Erwin Zeller asked if motion number 2 is linked to motion number 1 and pertaining to the Road Department. Steve Herzog answered yes.

VOTE: 5-0

Discussion: There was a discussion regarding whether there are any additional legal issues to discuss during the meeting. Steve Herzog asked Mike Crotty if there are any legal ramifications of switching from the modified accrual basis of accounting to the modified cash basis of accounting. Mike Crotty stated there is a resolution for this and he prefers this transfer be done by resolution. Mike Crotty discussed the different accounting methods. He said he isn't an accounting expert so he relies on the CPA to make recommendations on what accounting method to use. He said the Township's auditor recommended the Township switch to the modified cash basis. Mike Crotty said it is recommended for consistency that the change is made retroactive for the entire year January 1, 2016 through December 31, 2016. Ed Porter asked Mike Crotty if there are any other municipalities that are using the modified cash basis. Mike Crotty said there is a smattering of municipalities that use the modified cash basis of accounting. Ed Porter asked if there are any legal ramifications to the

auditor, who is an outside agency, making this recommendation. Mike Crotty said there are no legal problems with this because they are a consultant and making recommendations is part of the scope of their duties.

F. PLANNING COMMISSION

- 1) Planning Commission Report – Dennis Crook spoke about the last Planning Commission meeting and the current conditional use application. Dennis Crook said he sent all the conditional use application questions raised by the Planning Commission to the Board. The Board forwarded those questions to Mike Crotty. Mr. Crook stated he never heard back on those questions. Mr. Crook spoke about the problem with no one in zoning being in charge of the application. Ed Porter stated that an applicant has a right to request a conditional use hearing. Dennis Crook stated they should not have been given the conditional use hearing. The applicant did not submit a scaled diagram. Dennis said there is no recommendation from the Planning Commission. Ed Porter asked Mike Crotty if they have the right to a hearing if the application is not complete. Mike Crotty said yes, they have the right to a hearing in 60 days regardless of what documents are submitted. Otherwise, the conditional use application is deemed approved. Ultimately the Board makes the final decision. The hearing allows all the recorded evidence to come in. Dennis Crook asked if there is a checklist to go through when a conditional use application is submitted. Dennis Crook spoke about the application needing to go through the zoning officer first. Mr. Crook asked if the application is deemed complete when Lisa Valaitis stamps it or when it is determined to be complete. Mike Crotty said the Township could decide that insufficient information has been presented to support the applicants have met requirements and the application could be denied. Dennis Crook asked who determines this. Mike Crotty stated the Board of Supervisors decide that. Ed Porter stated the Township has a Solicitor to guide the Board of Supervisors in this decision. Dennis Crook asked why we have a zoning officer if he doesn't review these application. Ed Porter asked Lisa Valaitis to forward the Zoning Officer's contract to the Board. There was a discussion about the conditional use application procedure. Steve Herzog stated the applicants did not have all the information because it would cost too much to get all that done if they aren't going to get approved. Steve Herzog stated they have a long way to go and it's a huge process. The applicants will go through the Planning Commission, Zoning Hearing Board and entire land development process once their conditional use application is approved by the Board. It's too costly for the applicant to go through the entire process before the Board approves the conditional use application. It's not bypassing anything. They just want conditional use against the current zoning. They will have to get their plans ready, submit Act 167 Stormwater Management Plans, sewer plans, go to the County, get recommendations from the Township Engineer, appear before the Planning Commission again, and appear again before the Board. This was just an initial hearing. Dennis Crook requested the Planning Commission have its own solicitor. Dennis Crook said stopping the clock could be done by deeming the application incomplete for not having a full set of plans. Wilson Lambert asked Mike Crotty about the Planning Commission hearing some of the conditional use hearings. Mike Crotty said the Board can appoint a special hearing master. The applicants can appeal to the Court of Common Pleas if they aren't satisfied with an answer. Wilson Lambert said using the Planning Commission is empowering. Mr. Lambert stated an official township map can stop things. Ed Porter talked about how the Planning Commission is involved in the process. The Planning Commission has the right to submit a written recommendation to the Board regarding a conditional use application.

Dennis Crook stated they will be putting motions on the agenda for the Board of Supervisors. They will be combining Multi-Use Zoning and Office-Industrial Zoning to be Mixed-Use Zoning. Mike Crotty asked if Mr. Crook has drafts or forms with ordinance language to use or will he be making a recommendation. Dennis Crook gave the history of this zoning change which came from the Comprehensive Plan.

Dennis Crook requested the Solicitor, Zoning Officer and Engineer be present at the next Planning Commission meeting. Ed Porter asked Dennis Crook if he had a list of ordinances that they want changed. There was a discussion about the best way to proceed. Dennis Crook said the Planning Commission wants to address the firing range that is allowed in the R1 zoning district. Ed Porter asked Lisa Valaitis to contact the Chester County Secretaries in Government Association to request their Township flow charts. Steve Herzog stated that getting the flow chart done would save money in the long run. Steve Herzog asked Dennis Crook to prepare a condensed list of work needed and submit it to the Board. Mike Crotty said if the Planning Commission comes up with a list of concepts they want addressed in the zoning ordinances, he can prepare before coming to a meeting. Steve Herzog stated when the additional requested paperwork for the conditional use application comes in to the office, it will be forwarded to the appropriate people. He also stated that we can't expect detailed

plans because the applicant won't have detailed plans until they get approval from the Board to change the use of the house. Steve Herzog stated it is a long process.

Ed Porter asked Mike Crotty if they are allowed to ask a basic question about the mortgage in regard to the conditional use application. Ed Porter stated that a lot of mortgages require the owner to be the primary resident. Mike Crotty stated this is not an element the Board needs to consider when making a decision about a conditional use application.

Mike Crotty was dismissed from the meeting at 8:19 pm.

G. POLICE DEPARTMENT

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

H. PUBLIC WORKS DEPARTMENT

- 1) April Road Department report submitted for Board and resident review.
- 2) Fairview Road.

Tag Gathercole reported to the Board that he'd like to put Fairview Road out to bid. Steve Herzog asked if Fairview Road was included in the budget this year. Tag Gathercole responded yes. Tag Gathercole stated they are not going to do the entire road. They are trying to save money by not paving Fairview Road in a few sections that are still in good shape. Tag Gathercole stated the rough cost estimate is \$166,945. Mr. Gathercole stated Fairview Road is too far gone to do tar and chip. The Board approved putting Fairview Road out to bid.

- 3) Goosetown Road and Timacula Road.

Tag Gathercole stated he'd like to do some work on part of Goosetown Road from the stop sign to Modena. There is also a section on Timacula Road that needs work. Tag Gathercole said he'd like to put these jobs out to bid. Mr. Gathercole said if we don't do Goosetown Road, we will lose the banks. Tag Gathercole said he'd need to put these two jobs out to bid to get the cost estimates. Steve Herzog stated he is concerned about the cost being in the budget.

- 4) Mortonville Road.

Tag Gathercole said that Brandywine Road has been reopened and it is in worse condition than Mortonville Road. Tag Gathercole asked the Board to go take a look at Brandywine Road. Ed Porter stated the engineers had recommended Mortonville Road stay closed for safety reasons. Ed Porter suggested talking to Chief Porter and the Solicitor about Township liability if Mortonville Road was reopened. Ed Porter voiced a concern about having tractor trailers driving on Mortonville Road.

- 5) Approval of purchase of Tiger side-mount mower.

Tag Gathercole requested purchasing a Tiger side-mount mower at a price of \$23,062. Tag Gathercole stated this purchase is budgeted for \$19,000. Steve Herzog stated the Machinery and Equipment - New account is budgeted for \$22,717. Tag Gathercole stated it is Co-Stars. Ed Porter stated the old equipment could be auctioned to lower the net cost. Pani Martin stated the Machinery and Equipment - New account is in Liquid Fuels. This purchase will come out of the General Fund.

MOTION: Steve Herzog made a motion to approve the purchase of a Tiger side-mount mower for a cost of \$23,062.64. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- a) Erwin Zeller asked if this new equipment is for mowing the sides of the roads. Tag Gathercole responded yes.

- b) Nelson Walter stated that whoever mows Goosetown Road does a fantastic job!
- c) Tag Gathercole stated we do mow some of the sides of the main roads. He said he has to go back and measure those roads so we can get reimbursed by PennDOT for mowing as per the agreement. We aren't doing the work for free.

VOTE: 5-0

Ed Porter asked Pani Martin if she is accounting for this purchase in the General Fund. Pani Martin said yes. She said \$19,000 was budgeted for it but the cost is \$23,000.

I. FIRE DEPARTMENTS

- 1) April Westwood Fire Company Fire Chief's Report submitted for Board and resident review.
- 2) April Westwood Fire Company EMS Report submitted for Board and resident review.
- 3) April Modena Fire Company EMS Report submitted for Board and resident review.

4) COMMENTS:

- a) Chief John Sly followed up with the Board regarding an ambulance that was damaged by a Township truck in the 2016 big snow storm. Chief Sly reported they were able to get it repaired for \$100. He also spoke about the fire companies' annual appreciation banquets. He spoke about three grants that Westwood Fire Company received. One grant is for the purchase of injury prevention equipment which is a stretcher system that will be installed in each ambulance and will be used to lift stretchers into the ambulances. They are \$25,000 each. We will need to come up with a 10% match. The second grant is for physical fitness and health screening for all volunteers and employees. It is a \$60,000 grant with a 5% match requirement. The third grant was done in partnership with Sadsburyville Fire Company. Chief Sly also talked about the biggest problem facing the fire companies which is lack of volunteers. It's a county wide problem. He said the economy and rising costs are the main cause. Chief Sly said the third grant is a fully funded campaign to recruit volunteers. This grant is 100% funded. Ed Porter stated that this could be posted on the Township website as well.
- b) Joe Pomorski commented on the banquets and stated the Board of Supervisors has a good rapport with the fire companies. Mr. Pomorski thanked the fire companies for their service and Chief Sly for thanking the East Fallowfield Township Board for contributing additional money to the fire companies.

J. HISTORICAL COMMISSION

- 1) No Report Submitted.

K. TREASURER'S REPORT

- 1) The April 30, 2016 Treasurer's report was submitted for Board and resident review.

MOTION: Steve Herzog made a motion to approve the April 30, 2016 Treasurer's report as presented. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- a. Sharon Scott stated that with the previous four treasurers, the Treasures report consisted of separate motions. Steve Herzog stated there are two motions – one for the Treasurers report and one for payment

of the bills. She recommended that the Treasurers report approval should be at the beginning of the meeting after the minutes while the Solicitor is present. Mrs. Scott asked if the Treasurer's report reflects the bank account balances. Steve Herzog stated that is correct and it also reports where we stand in comparison to the budget. She also said escrow and the Park & Recreation Fund need to be looked at. She asked if the Park and Recreation Fund of \$265,825.84 is a fee in lieu of. Ed Porter said when he came on the Board he tried to get the accounting for the checks cashed against fee in lieu of. Residents had to contribute to the Park & Recreation Fund by a fee in lieu of. He asked for checks cashed against the Park & Recreation Fund to determine what that money was spent on. Mr. Porter said the former treasurer was not able to account for the money and the former treasurer inherited the problem. A former Board member, that was a forensic CPA, did his best to figure out where the money was spent. A former Park & Recreation member gave a general explanation of what the money was spent on. Mrs. Scott talked about accountability. Mrs. Scott also talked about how to check the financials. Ed porter said he thinks the problems are caused by how it was accounted for and the checks coming in and not being matched up. There was a discussion about hiring a CPA to clean up the escrow accounts. Ed Porter said the auditor should be the one that finds these errors on the books. He said the Commonwealth should fine auditors that don't find problems. Sharon Scott talked about residents having to pay real estate taxes because of incompetence, inaccuracies, and errors.

- b. Edwin Zeller stated he thinks the Township would need to engage in hiring an outside accounting company to set up a system and work with the Treasurer. He said there is no system for the Planning Commission as well. Systems need to be developed so people can come in and do the job. Mr. Zeller said the Treasurer needs outside expert guidance. He said an outside auditor should also come in every year to audit the books. Ed Porter said the Treasurer has outside help from the Solicitor. Mr. Porter also stated the problems arose between the years of 2002 – 2007 and were caused by one previous treasurer. Ed Porter said the checks weren't matched with the correct accounts. We are trying to come up with a solution to something that happened a long time ago.
- c. Tom Nash said there are current parameters in place. Are you looking to recoup money that was misplaced ten years ago? Ed Porter said that the current Board is working on this and has to account for it. Mr. Nash asked are you mandated to find this money. Ed Porter stated he thinks the Board is accountable. Ed Porter stated the auditor is giving the Board advice on how to handle this problem.
- d. Dennis Crook said he thinks the reason the money can't be found and the forensic auditor didn't find it either is because there is no flow as to where the money came in and went out. He said the Planning Commission put a list of all Township developments together. He stated they found that some of the developments had a fee in lieu of and none of them were consistent. Each contract and development had different fees. Mr. Crook spoke about different developments and some of those fees. Ed Porter stated the fee was \$1,500. Ed Porter said prior to 2002, the fee was \$500. It's not the Treasurer's job to go back through all these developments' contracts and record the fees. Mr. Crook said the developments also have other fees in their contracts.

VOTE: 5-0

- 2) April 2016 payment authorizations.

MOTION: Steve Herzog made a motion to approve the April 2016 payment authorizations for 84 checks in the aggregate amount of \$111,954.83 for the period of April 24, 2016 through May 24, 2016. Ed Porter seconded.

VOTE: 5-0

- 3) Other Township Business.

- a. FEMA Resolution 2016-06.

MOTION: Steve Herzog made a motion to approve the FEMA Resolution 2016-06. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- i. Tony Sirna stated that FEMA requires municipalities to periodically update their emergency plans. Mr. Sirna stated that for over a year and a half we had two committees working on hazard mitigation for natural causes and human causes. We met over the past year and came up with the current plan considerations. The new plan needs to be readopted in order to be able to apply for grants should there be a situation to mitigate some type of hardship in the Township. Should there be anything that might be a problem, we would then be able to apply for a grant. It's an all hazard approach to emergencies.

VOTE: 5-0

- b. Codification Company Selection – Pani Martin gave a brief explanation of the two motions. Ms. Martin said the first motion refers to uncodified legislation being supplemented into our existing code. This is estimated to be 225-250 pages. Ms. Martin reported that we were able to talk them down from \$20 per page to \$17 per page for this initial supplement publication. The next update will cost \$18 per page. The second motion is for their annual maintenance agreement for their eCode360 searching system. Ms. Martin explained the benefits of eCode360 search system. It has easy and flexible searching capabilities using key words or phrases. They also have sample legislation, posting of new laws not yet codified in between supplements, easy navigation, user friendly printing, public and private notes, easy exporting into MS Word, email links to shortcut you to a specific code section, and is searchable using your mobile device. The contract agreement is two years and will auto renew unless cancelled.

MOTION: Steve Herzog made a motion to approve the General Code proposal for codification of the 2012-2015 ordinances and resolutions at the cost not to exceed \$4,273 (which includes the customized banner of eCode360). Ed Porter seconded.

QUESTIONS AND COMMENTS:

- i. Ed Porter asked Pani Martin to confirm the codification was for 2012-2015. Pani Martin confirmed this and said that we have not gotten to 2016 yet.

VOTE: 5-0

MOTION: Steve Herzog made a motion to approve the General Code annual maintenance fee for the online codification program eCode360 at the cost of \$995 annually starting in 2017. Ed Porter seconded.

VOTE: 5-0

- c. April 2015 Governance Letter – Escrow / Unclaimed Checks – Pani Martin said that Sharon Scott has continued to elude to the April 2015 Governance letter specifically the escrow and unclaimed funds portions of the letter. Ms. Martin said in terms of escrow, she spoke with the auditor, Dave Barrett, who said they are book keeping mistakes prior to 2010. Prior auditors in prior years had the same comments. Previous treasurers tried to reconcile and work through it and didn't get anywhere. Ms. Martin said neither she nor Dave Barrett knows what the negative \$740,000 credit balance in receivables is. She reported that Dave Barrett said there is no reason to believe the Township owes \$752,000 to anyone. Prior treasurers had identified the actual liabilities owed to people. Ms. Martin stated the auditor said if you switch to the modified cash basis accounting method, this will go away. A schedule would need to be kept offline in Excel. The auditor is aware that the negative payable is not money owed to anyone. Ms. Martin stated the other issue is unclaimed checks which are from years prior to 2010. She said the details show they are general journal entries from prior years and audit balances. Our auditor does not believe these are unclaimed checks. Dave Barrett said they look like book keeping errors. Prior treasurers could not reconcile this. Converting to the modified cash basis accounting method will make this liability go away. Ms. Martin stated that checks are escheated to the state.

COMMENTS AND QUESTIONS:

- i. Sharon Scott stated the letter read that the auditor stated there is a negative escrow of \$764,000. This could mean the Township paid money out, but builders or someone did not pay into escrow to cover their costs. She said that Pani Martin's comments do not answer what happened. She said

there is chaos in the Township's finances. Steve Herzog said that having a forensic CPA come in would rectify this and clean up the books. Sharon Scott also talked about the unclaimed checks which to her meant that someone paid something here and it's being held in an account. She asked how we know where the money for the park fee in lieu of is located. Steve Herzog said that it looks like this money was put in the wrong account and labeled unclaimed funds when they really were not unclaimed. She said according to our paid auditors, we have negative \$764,000 in funds and changing the method of accounting system would not correct it. Mrs. Scott stated there should be a negative \$764,000 in the Township's accounting system.

- d. 2015 Municipal Annual Audit and Financial Report – Pani Martin said this report is for the latest audit completed. She talked about the audit letter and audit findings in communication regarding internal control related matters. Pani Martin read part of the report. She stated the report identifies material weaknesses and significant deficiencies that are existing in the books. They included the following: lack of ability to maintain its books in modified accrual basis of accounting, lack of segregation of duties, reconciliation of escrow funds on a monthly basis, and prior year audit adjustments. The auditor made the following recommendations: changing the books from modified accrual basis to modified cash basis of accounting and staff be evaluated to determine whether adequate segregation of duties can be achieved. Ms. Martin said the auditor report stated using the cash basis of accounting would result in more meaningful reports to management because of the ability to compare the actual books with budgeted amounts. The Township did not adequately performed collection procedures for reimbursements of costs incurred prior to 2010 which resulted in escrow accounts not being closed out on a timely basis. Additionally, the assets and liabilities for the escrow funds were not recorded resulting in the Township ledger reflecting negative asset of \$752,000. Certain audit adjustments for the years ending 2013 and 2014 were not recorded on the Township's books. As a result the balance sheets were not accurate for 2015. Pani Martin also read a section on significant deficiencies such as unclaimed funds which are not reconciled on a timely basis. The Township maintains an account in its books titled Unclaimed Funds which has a balance of \$17,656 at 12/31/15. The Board requested the auditor, Dave Barrett, attend the next Board of Supervisors meeting.
- e. Conversion of Accounting Basis. – Pani Martin, per the auditor's suggestion, requested the Board make a motion to switch from the modified accrual basis of accounting to the modified cash basis of accounting.

MOTION: Steve Herzog made a motion to approve Resolution 2016-07 switching from the modified accrual basis of accounting to a modified cash basis of accounting. Ed Porter seconded.

QUESTIONS AND COMMENTS:

- i. Wilson Lambert said he was initially concerned about this motion because he didn't feel he had enough information. He said after hearing the 2015 Municipal Annual Audit and Financial Report, he feels he can make a decision.
- ii. Sharon Scott asked what the audit letter states for the time Jill Bukata was employed. Mrs. Scott said evidently Ms. Bukata changed the Township to the modified accrual basis of accounting. Mrs. Scott said now the audit letter states that they feel the current staff can handle the modified cash basis of accounting but not the modified accrual basis of accounting. She said the audit letter stated that things are not accurate in 2015. Steve Herzog stated they will have to look into this. Mrs. Scott asked what the difference between modified accrual basis and modified cash basis versus accrual basis and cash basis. Carol Kulp read the definitions of the modified cash basis of accounting and the modified accrual basis of accounting. Ms. Kulp stated one reflects actual balance while the other reflects overall financial condition. Mrs. Scott stated she felt the cash basis is best for East Fallowfield Township.

VOTE: 5-0

- f. Survey Monkey - Pani Martin stated the cost of Survey Monkey is \$300 annually or \$25 per month. Steve Herzog asked if the Township should pay for a month and send out a farmer's market questionnaire. Ed Porter talked about his concern on what questions are asked. There was a discussion about the farmer's market questionnaire. Pani Martin suggested also asking about the interest in movies in the park on the survey. Ed Porter suggested getting the Park & Recreation Committee involved in this. The Board decided to do the month to month plan.

- g. Office New Business – Pani Martin stated that Joyce Proffer volunteered to take care of some spring gardening tasks in East Fallowfield Park such as mulching and planting flower bulbs. Her cost estimate is \$175. She would like to be reimbursed by the Township and she will provide her receipts. The Board determined this reimbursement will come out of the Park & Recreation Committee's budget. Tag Gathercole and Steve Herzog commented that Ms. Proffer does a terrific job. Steve Herzog suggested the Park & Recreation Committee could set a specific annual amount in the future and have a specific line item in the budget for this expense. Ed Porter discussed the Park Master Plan. He said from what he understands, the prior Park & Recreation Committee said they need to readdress the Master Plan. Ed Porter suggested the Board work with the new Park & Recreation Committee and the Solicitor to revise the Master Plan. Steve Herzog talked about the new Park & Recreation Committee members working with the previous committee members for guidance.

L. PUBLIC PARTICIPATION

- 1) Siti Crook spoke about the section in the zoning ordinances regarding R1 conditional use. She stated a problem came up between the phrase daycare home and daycare center. The conflict is in the R1 zoning district. She said the intention in the R1 zone is for a daycare home. In actuality, the zoning ordinance has the wording daycare center. She said in her opinion, under conditional use for R1 for a daycare, the problem came up with the wording – daycare home versus daycare center. Ms. Crook stated that under R1, the wording daycare home and daycare center are used inconsistently throughout the code. Ms. Crook said you need zoning input to determine if conditional use approval can be granted on June 14, 2016 when the conditional use hearing continues. Ed Porter asked what law firm worked on the zoning ordinance book. Ed Porter commented that the Township spends money for professionals to do work and then the work is not up to par. She said daycare is under conditional use in R1 and special exception in R2. Ms. Crook stated this is an inconsistency in the code. Ms. Crook stated if we work as a team, we can get these fixed and consistent.
- 2) Ed Porter asked the Board if they'd like to move forward with the Employee Handbook now that the Public Works Teamsters Union negotiations have been completed. Steve Herzog stated he thinks the Board should because everything would be consistent. Joe Pomorski also stated this should be done. Steve Herzog asked about getting a cost estimate.

3. ADJOURNMENT

MOTION: Steve Herzog made a motion to adjourn the Board of Supervisors meeting at 9:44 pm. Ed Porter seconded. VOTE: 5-0

Respectfully Submitted,

Lisa Valaitis,
Township Secretary