

**MINUTES OF THE BOARD OF SUPERVISORS
OF KENNETT TOWNSHIP**

**801 Burrows Run Road
Chadds Ford, PA 19317**

April 18, 2018

Stevens called the meeting to order at 7:00 p.m.

Present: Chairman, Scudder G. Stevens
Vice-Chair, Whitney S. Hoffman
Supervisor, Dr. Richard Leff
Township Manager, Lisa Moore
Public Works Director/Roadmaster, Roger Lysle
Chief of Police, Lydell Nolt

MINUTES

**Leff made a motion to approve the minutes from April 4, 2018. Hoffman seconded the motion.
Motion carried unanimously.**

NEW BUSINESS

Pay Bills

**Hoffman made a motion to pay the bills for the month per the bill vouchers. Leff seconded the motion.
Motion carried unanimously.**

Kennett Fire Company

Bruce Mitchell representing the Kennett Fire Company presented monthly report for March:

Fire Calls: 39 with 18 of those being in the Township
EMS Calls: 78 with 37 in the Township

Patrick Rita asked questions regarding Fire and EMS services including coverages out of the area and how budgets work compared to how much is funded by the Township. Moore and Stevens along with Mitchell responded.

Stevens presented an overview of the EMS commission and how it is structured.
Moore presented information regarding about how the Fire Company is funded by the Township.

Diane Forney asked questions about the commission and how things operated prior to the commission compared to now. Moore responded noting the commission started in October of 2017 and explained how payments were made to the Fire companies prior to the commission.

Diane Forney asked why Longwood Fire Company has a paid Fire Chief and if that was standard in other municipalities. Moore responded that the Fire Company is a separate entity and that was their decision and noted that there are other paid fire company staff at other companies throughout the State.

Ted Moxon asked how the fair share formula was derived. Moore responded that commission hired a consultant. Discussions ensued regarding the difference of the payments in the past and how contributions.

Bill Shelton thanked the Fire Company for what they do for the Residents of Kennett Township.

Hazel Avenue ROW Easement Vacancy

Moore introduced Mike Shiring of Riley riper Hollin & Colagreco representing Ravello properties who presented a background for the proposed Ordinance 275 that if approved, would vacated a 12 foot wide right of way on the eastern end of Hazel Avenue to N. Walnut Street.

Hoffman made a motion to adopt Ordinance 275. Leff seconded the motion.

Discussion:

Hoffman commented that she seems it's the right thing to do to fix the problem.

Chris Burkett confirmed that there were no utility easements on the property.

Motion passes unanimously.

Rosedale Road Streambank Project Payment #1

Roger Lysle presented an overview of the Rosedale streambank project. Lisa Moore presented the payment recommendation for the Rosedale Streambank work that was completed in March. The payment is for \$107,327.15. Moore noted that \$2,190.35 is being held for 2% retainage and this payment recommendation has been reviewed and is being made by the Township Engineer.

Leff made a motion to approve Payment #1 in the amount of \$107,327.15 to Guardian Environmental Services for the rehabilitation of the Rosedale Road Streambank. Hoffman seconded the motion.

Discussion:

Leff asked how it looks and works. Lysle responded that it is looking and working well.

Mike Elling if that is the total for the project, Moore responded it was with the exception of what is being held back.

Motion carried unanimously.

Dept. of Revenue Real Estate-Fussell House

Moore described the Fussell house transaction noting that it should have been tax free but the Department of Revenue is charging the Township tax of just over twelve thousand dollars. Moore asked the Board of Supervisors for a motion to authorize the Townships Solicitor to take action to settle this bill with the Department of Revenue since tax should not have been charged.

Leff made a motion to give the solicitor authorization to act on behalf of the Township to act on the Townships behalf to try to have the tax removed. Hoffman seconded the motion.

Motion passes unanimously.

Road Maintenance Bids

Lysle presented bids that were accepted by the Municipal Cooperative of Southern Chester County for:

Road In-Place Paving by Asphalt Paving Systems, Inc. for \$77,551.96,

Surface Treatment by Asphalt Industries, Inc. for \$14,088.00,

Paving In-Place, Longs Asphalt for \$487,651.70,

Fuel, 8000 gallons Diesel Low Sulfur with additive-differential price \$1.9488 and 8000 gallons-87 Octane Gasoline-differential price \$1.7789. Lysle asked the Board of Supervisors to accept the Bids for Kennett Township.

Hoffman made a motion to accept the bids for Asphalt Paving Systems in the amount of \$77,551.96 and Asphalt Industries Inc. in the amount of \$14,088.00, Longs Asphalt in the amount of \$487,651.70 and fuel prices of \$1.9488 and \$1.7789. Leff seconded the motion.

Discussion:

Leff asked how many municipalities are in the co-op, Lysle responded nine total.

Leff asked how these numbers compared to last year. Lysle responded that they are all comparable.

Bill Shelton asked if there are any liabilities for others in the co-op. Lysle responded that all bills are paid separately so there is no additional liability for being in a co-op.

Motion passes unanimously.

SUBDIVISIONS

Stonehouse (Sweetbriar) Escrow Release 5

Lisa Moore presented Escrow Release #5 in the amount of \$72,760.00 for the Stonehouse subdivision with a remaining balance of \$1,417,435.69 which have been reviewed and approved by the Township Engineer.

Leff made a motion to approve Escrow release #5 in the amount of \$72,760.00 for the Stonehouse Subdivision.

Hoffman seconded the motion.

Discussion:

Hoffman asked if the developer is meeting all Township requirements. Moore responded they are.

Patrick Rita asked for an overview of the subdivision, Moore responded.

Chris Burkett asked if the roads and storm water being will be dedicated to the Township. Moore responded no.

Moxon asked if there will be an HOA, Moore responded yes.

A member of the audience asked questions about the proposed round-a-bout at five points. Moore responded answering questions in regards to which properties the roundabout would sit on.

A member of the audience asked if the Stone house on the property will stay. Lisa Moore responded yes.

Motion carried unanimously.

PUBLIC COMMENT

Hoffman discussed the possible formation a committee in the Township to help advise HOA's on items like how to best maintain open space, updating regulations, common problems like stucco, stay up to date on regulations etc..

Ted Moxon asked how much the Township has spent so far on the pines including the purchase. Moore responded that so far, about \$300k has been spent before the current renovations to keep the house from deteriorating further.

Ted Moxon asked if any studies have been done to creating a police station at that facility compared to other buildings. Moore responded that a study has been done and that other options have been looked at. Discussion on the topic ensued.

Phyllis Recca handed out information regarding Township financials for discussion (see attached) and read from a prepared statement.

Leff responded with the following prepared statement:

Kennett Township's Emergency Services Property Tax: What is a life worth?

As a Supervisor in Kennett Township, I believe that investing in full-time local police, fire and ambulance services is important to safeguard our community and save lives. As if to prove this point, in the early morning hours of April 3, only a few days after starting full-time patrol service in Kennett Township, one our police officers, acting as a First Responder, saved a life of a township resident experiencing a drug overdose by reviving her with naloxone (Narcan). Had the Township's Board of Supervisors not already made a commitment to full-time local police coverage, one of our own neighbors might have died, and her family and friends would now be in mourning.

Of course, one of the challenges I have faced as a Supervisor is how to pay for something that not only might save a life, but already has. Municipalities with a Police Department in addition to other Emergency Services often have an Emergency Services tax, which Kennett Township did not have until this year. As a result, over the past nine years the Township has been paying for Emergency Services out of the reserves built up after an Earned Income Tax was enacted in 1998.

In fact, four years ago the previous Board of Supervisors lowered the property tax rate, resulting in a more rapid depletion of those reserves. By 2017, our reserves reached the point where our auditor felt that they should not go any lower (approximately 9-12 months of operating expenses). Therefore, the Board of Supervisors determined that we should finally fund our Emergency Services with a dedicated tax starting in 2018.

This was not done lightly. Our Board of Supervisors publicly advertised and discussed this issue at three of our regularly scheduled meetings: November 2017, December 2017 and January 2018 (an organizational meeting). Even so, we also anticipated that many residents still might not know about this change and thus tried to reach people by also sending out postcards in January to all addresses. Nonetheless, some residents were surprised when their tax bill arrived in March and called the Township office to complain.

Our Township staff always takes such complaints from residents and taxpayers very seriously, and in this case carefully explained the reasoning behind the new tax. Once they understood that the tax was necessary to maintain the full-time Emergency Services they were already enjoying, many of these residents responded by telling us how pleased they have been with our Police Department, Fire Companies and Ambulance services protecting us and our community around-the-clock.

The simple fact is that, for 2018, the costs for all of the full-time Emergency Services (Police, Fire and Ambulance services) for Kennett Township will be almost \$1.6 million. This may sound like a lot, but it works out to about \$15/month per resident – a modest fee considering the level of coverage. In prior years, our costs were lower primarily because our police force was not yet up to full strength, and, as I already indicated, we were still comfortably able to cover these out of our reserves and thus could delay a tax increase.

However, now that our police staff is staffed for full-time coverage, we had to face the reality that all these popular services need to be funded. The Board of Supervisors chose a single property tax increase into a dedicated fund, to make it easier for residents to understand where the money was going and why. The resulting tax burden (property and earned income taxes) on residents of Kennett Township is still well within the range of those municipalities surrounding us, even though several of those do not offer the level of Police service that we provide in Kennett Township.

As of 2018, there are now 8 full time officers and 2 part-time officers serving Kennett Township 24 hours a day, 7 days a week and 365 days a year. Those officers are all continually busy; there is no wasted time on their part. They provide an extraordinary service, a service that is substantially greater than what the State Police (as good and respected as they justifiably are) can provide. Rather than the one or even two hour delays in responding to 911 calls that are typical from the State Police, our local officers are on site in a matter of minutes. In addition, our local police carry a greater responsibility than the State Police, who are not permitted to enforce local ordinances and have minimal resources for public education and outreach, a very important component of local policing.

In addition to funding our Police Department, the new tax will also fund partial operating costs and capital equipment purchases for both Kennett and Longwood Fire Companies. As of October 2017, Kennett Township along with five other municipalities created an Emergency Services Commission to ensure that the fire company costs are evenly distributed for all municipalities that they serve. This also allows us to make a three year prediction for our fire and ambulance service expenses.

I believe that all residents have a right to know how public money is being spent. The day I became a Kennett Township Supervisor, I put into motion having all financial transactions publicly displayed on the Township website (<http://www.kennett.pa.us/159/Finance-Billing>). The Board of Supervisors of Kennett Township is committed to financial transparency and welcomes dialogue at our public meetings, held on the first and third Wednesdays of each month at 7PM at our Township Building (800 Burrows Run Road). Residents can watch live or view minutes and video recordings of our Board of Supervisor meetings

(<http://www.kennett.pa.us/150/Board-of-Supervisors>). We appreciate addressing the concerns of all our residents and are ready to answer questions about this or any other aspect of your Kennett Township government.

I hope to see you at those meetings and around town.

Thank you for your attention,

Sincerely,

Richard L. Leff, Kennett Township Supervisor

Moore commented on the Townships expenditures have went up over the last several years and commented on many of the positive programs that the Township works on.

Mike Elling asked when the closing date on 103 acre of open space, Moore responded that she expects settlement will happen in May. Elling followed up with the following questions:

Who will have access to the property? Moore responded that the property will be open to the public.

Has anyone begun to think about a study on what the Township might do with that land? Moore responded yes, the Township is working on an open space needs assessment right now and part of that is surveying residents, that survey will be posted online and also come out in the next newsletter in May.

Who is the open space committee and can he join the committee. Moore responded that it is being led by Tom Comitta. Stevens responded that the Board will talk about adding him to the committee.

How much did the Township pay for the Fussell house? Moore responded \$200k.

Was there a study done on the Fussell house prior to purchasing it. Moore responded that a study was completed by the Townships architect.

Nancy Dunbar asked if a forecast for future years and are taxes expected to increase in the near future. Lisa Moore responded noting that there are no plans to raise taxes but each Board is different.

Ted Moxon commented on the tax increase.

Patrick Rita asked why the Township needs a 10 man police force. Discussion on the topic ensued.

Art Knechtel commented on the safety of East Marlborough safety verses Kennett Township noting that East Marlborough does not have nearly the number of Police that Kennett does and is equally safe.

Bill Shelton, a member of the safety committee commented on the safety of the residents of Kennett Township and changes.

Gene Pisasale thanked Township manager Lisa Moore for her work in providing information. Pisasale commented on the increased spending by the Board of Supervisors suggesting the Board of Supervisors create a budget committee, Stevens replied that the Township already has a financial advisory committee.

Mike Elling asked what happened between 2014 and now as it pertains to the safety award presented to the Township.

Nancy Dunbar commented on fiscal responsibility and the effects of the tax increase commenting that the Supervisors are not doing the job they were elected for.

Meredith Jones asked what happens when we purchase land. Stevens responded on the process of purchasing open space.

John Haedrich commented that the Township has been very successful with grants but believes that the grants are not sustainable with the State. Mike Guttman commented on the subject noting that he thinks the Township can sustain the grant strategy.

ADJOURNMENT

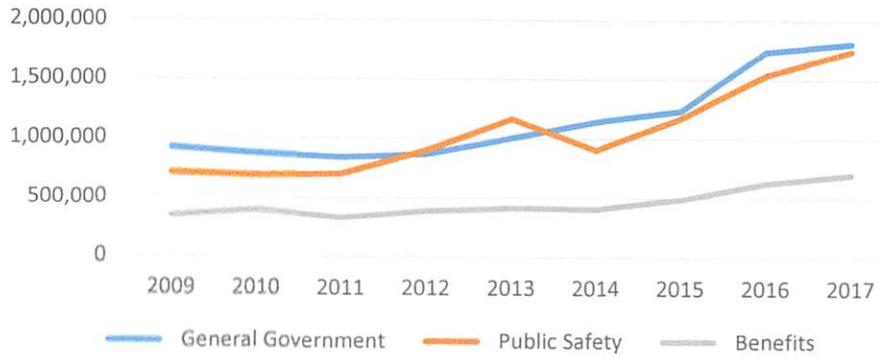
**Hoffman made motion to adjourn. Leff seconded the motion.
Motion carried unanimously.**

The meeting adjourned at 9:18 p.m.

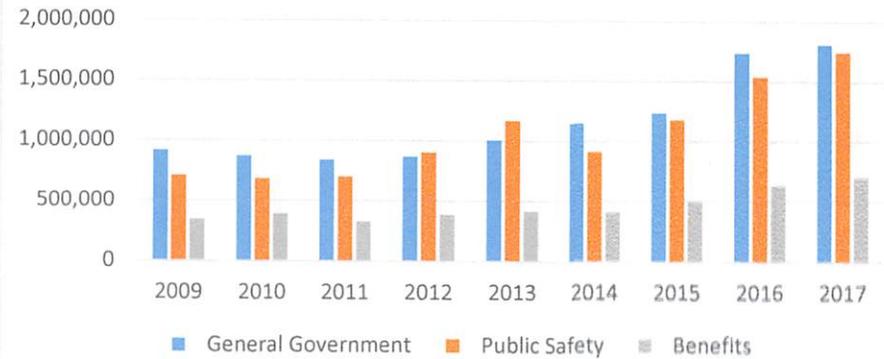
Respectfully submitted,

Michael O'Brien
Recording Secretary

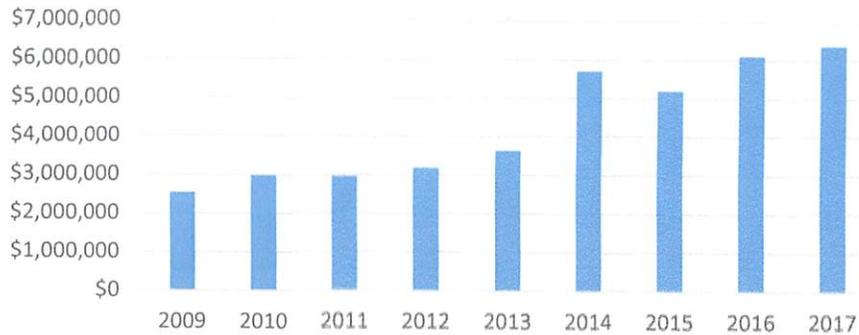
Kennett Township Expenditures



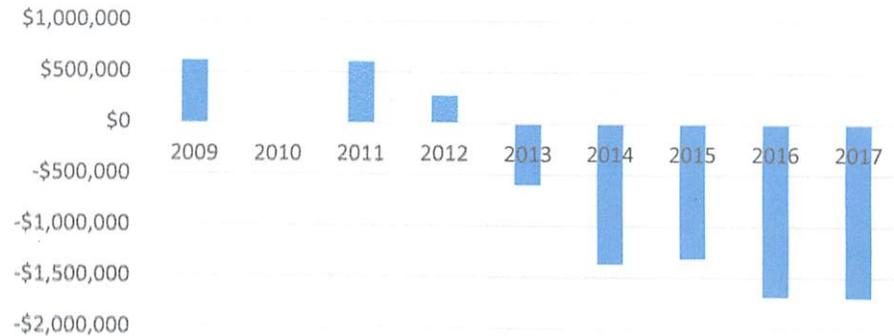
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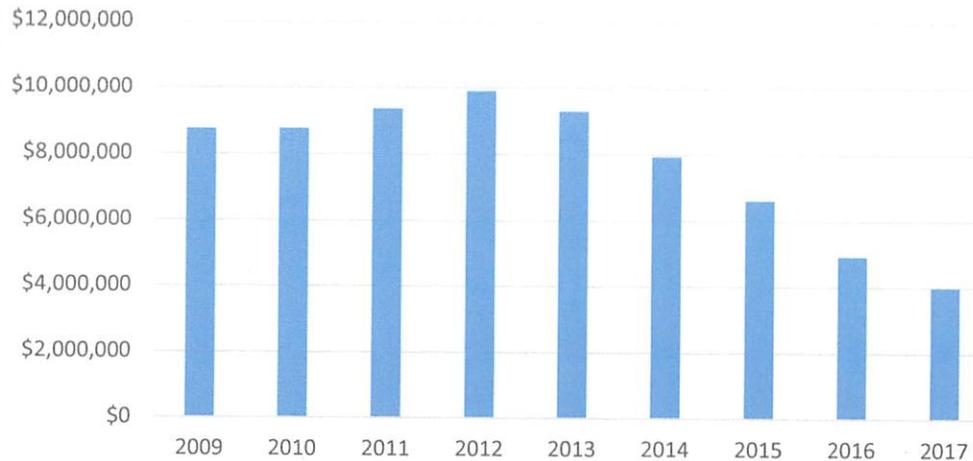
Kennett Township Total Expenditures



Kennett Township Excess(+)/Shortfall(-)



Kennett Township Reserves



Kennett Township Financial Comparisons by Year: General Fund

<u>Category</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	Unaudited <u>2017</u>	Budget <u>2018</u>
Revenues										
Earned Income Tax	1,822,033	1,772,426	2,108,619	2,087,356	1,883,040	2,319,405	2,397,364	2,458,751	2,664,269	2,300,000
Real Estate Taxes	330,248	323,632	320,692	352,356	162,020	161,655	162,330	158,603	155,283	1,679,600
Transfer Taxes	253,643	248,062	236,782	296,084	243,719	241,214	426,049	383,418	410,186	375,000
Fees & Permits	191,801	201,396	322,779	320,335	289,995	183,302	192,208	192,887	195,495	258,340
Fines	8,124	11,451	11,003	21,690	16,089	19,631	19,882	34,193	40,287	0
Interest Income	91,808	60,109	148,089	83,747	57,517	21,762	43,033	80,195	90,822	70,000
Services	292,374	153,365	166,995	158,504	221,114	280,885	379,408	292,032	475,970	198,200
Miscellaneous	40,972	39,215	596							12,000
Grants	118,137	167,257	236,233	120,628	147,124					84,500
State						130,791	121,495	152,217	363,099	120,290
Federal						747,480	28,449		0	
Local Govt Units								5,027	31,246	
Fixed Asset Disposition						34,923	32,133	31,314	0	
Interfund Operating Transfers						181,616	70,000	621,000	233,000	
Firemens Relief										74165
Police										54000
Total Revenue	\$3,149,140	\$2,976,913	\$3,551,788	\$3,440,700	\$3,020,618	\$4,322,664	\$3,872,351	\$4,409,637	\$4,659,657	\$5,226,095
Expenditures										
General Government	918,042	872,271	842,258	868,995	1,005,392	1,146,407	1,235,929	1,738,223	1,809,442	1,993,710
Public Safety	710,254	685,376	702,290	901,410	1,166,690	906,925	1,174,671	1,537,250	1,743,188	1,549,291
Public Works	539,823	670,757	721,758	766,894	899,643	722,087	724,736	721,686	945,388	670,790
Public Works Other						53,633	45,829	51,778	62,553	53,000
Park & Recreation (culture)	25,186	75,084	92,143	94,050	15,012	843,830	177,922	105,960	88,269	
Community Development								81,042	114,545	
Ins/Pension/Taxes (BENEFITS)	344,798	393,014	329,271	386,433	415,216	405,642	492,830	632,727	701,223	595,680
Capital Outlay/Sewer		278,304	263,708	155,296	119,739					
Insurance						59,613	70,813	82,845	83,585	94,000
Unclassified						15,022	29,896	6,021	36,805	
Other						2,375				120,185
Interfund Operating Transfers						1,541,468	1,235,400	1,140,000	771,216	
Total Expenditures	\$2,538,103	\$2,974,806	\$2,951,428	\$3,173,078	\$3,621,692	\$5,697,002	\$5,188,026	\$6,097,532	\$6,356,214	\$5,076,656
Excess(+)/Shortfall(-)	\$611,037	\$2,107	\$600,360	\$267,622	-\$601,074	-\$1,374,338	-\$1,315,675	-\$1,687,895	-\$1,696,557	\$149,439
Pending funds for reserves									370,000	
Reserves/Fund Bal/Ret Earnings	\$8,755,883	\$8,757,990	\$9,358,350	\$9,890,478	\$9,289,404	\$7,926,734	\$6,611,209	\$4,923,314	\$3,996,807	