

**MINUTES OF THE BOARD OF SUPERVISORS
OF KENNETT TOWNSHIP
Kennett Township
801 Burrows Run Road
Chadds Ford, PA 19317**

August 7, 2019

Chairman Stevens called the meeting to order at 7:08 p.m.

Present: Chairman, Scudder G. Stevens
 Vice Chair, Dr. Richard Leff
 Supervisor, Whitney S. Hoffman
 Dave Sander, Solicitor
 Alison Rudolf, Interim Township Manager

TOWNSHIP INVESTIGATION UPDATE

Chairman Stevens presented the following prepared statement on the Township Investigations:

Good evening, Everyone.

As you know, we made a commitment to keep you informed about the two investigations currently underway in Kennett Township by the Chester County District Attorney's Office and a forensic auditor hired by the Township.

These investigations are looking into suspicious transactions on Township accounts which came to light in late April of this year.

As you know, all Township employees (including the Supervisors) have been asked by the District Attorney not to discuss any details which might jeopardize the investigations, and to refrain from speculation. We have been following those instructions and cooperating fully in the investigations.

That said, in keeping with our commitment to communicate what we can, we have a few items to report tonight.

First, on the progress of the investigations

You'll recall that I've reported at each meeting on both parts of the investigation: First, the District Attorney's investigation into the criminal portion of this matter. Second, the forensic accountant's investigation into determining how and to what extent actions were taken that were either improper or illegal.

*We continue to be in regular communication with those leading both investigations and both are proceeding **normally and on schedule**. There are no changes to report at this time.*

I regret that I cannot provide any more details than that right now.

I appreciate your understanding as we work to fully cooperate with the investigations, including not to do or say anything which might jeopardize either investigation.

Second, a Township Operations Update

We continue to work diligently to ensure that the government of Kennett Township proceeds without interruption and to take prudent steps to add both additional safeguards and security to all of our systems – financial and otherwise.

I would like to briefly highlight two items tonight:

- **First, an upgrade to our payroll system:**

Alison Rudolf will be reporting later in the meeting on her recommendation to shift our payroll manager to a service provider specializing in this service. There are a variety of reasons including efficiency, security, and cost savings. She will discuss this in greater detail – including the advantages to Kennett Township.

- **Second, an update on the search for a new Township Manager**

You'll recall that we advertised for candidates for our permanent Township Manager position. We received 33 qualified applicants. We narrowed the field considerably and are working diligently to finalize our selection -- including going through the later stages of due diligence, including a thorough background check.

We believe it prudent to leave it to that right now. When we have all the homework side of things done, we will have complete information to announce – including a timetable.

- **Last, on behalf of Richard Leff, Whitney Hoffman and myself, I would like to thank all our Township staff and all the residents of Kennett Township once again** for their continued support and encouragement as we navigate our way through this challenging process.

I will now take questions specifically related to the investigations. We will take questions on other Township business later on in the meeting as we usually do.

Discussion:

Ed West asked for clarification on the timeline and schedule on the length of the investigation. Supervisor Hoffman noted that the expectation has been that more information would be available in the early fall. Chairman Stevens commented that the schedule that the DA and Investigators have been working on has been to do the investigation as quickly and thoroughly as possible but would not be until at least the earliest of mid-September. Chief Nolt responded noting that the process is progressing and will continue as long as information becomes available to the investigators and it is too early to put a specific timeline on the process.

Richard Gaw asked if the term “Mid September” still applies to the finalization of the investigation. Chief Nolt responded noting the investigation is on track and is progressing but there is no specific deadline, if information is available, it will be investigated.

Chairman Stevens continued:

Thank you for your questions. I'll be glad to answer additional questions personally after the meeting, should you have any.

Now we will return to the Agenda and Township Business.

MINUTES

Supervisor Hoffman made a motion to adopt the minutes from the July 17, 2019 meeting. Vice Chairman Leff seconded the motion.

Motion passed unanimously.

ANNOUNCEMENTS

Executive Session Announcement:

Solicitor Sander announced that the Kennett Township Board of Supervisors met in executive session on 7/18/19, 7/23/19, 7/24/19, 8/1/19, 8/6/19 to discuss personnel matters and on 8/7/19 to discuss personnel and real estate matters.

OLD BUSINESS

No old business.

NEW BUSINESS

Deed of Dedication(s)-Summers

Solicitor Sander presented proposed resolutions 2019-21 and 2019-22, recommending that the Board of Supervisors adopt the two resolutions accepting dedication of 2 portions of the Right Of Way of Rosedale Road as part of the Summers subdivision. Sander asked that the Board consider making the motion with a condition its acceptance of the dedication documents are in a form acceptable to the Solicitor noting he had sent them form deeds of dedication, but they submitted their own (drafted by Summers' attorney) that were not accepted.

Supervisor Hoffman made a motion to accept dedication of the two portions of right of ways as noted on the Summers subdivision application upon acceptance of satisfactory deeds of dedication and preparation of the appropriate resolutions by the Township Solicitor, no further action will be needed by the Board of Supervisors. Vice Chairman Leff seconded the motion.

Discussion:

Chairman Stevens clarified the required documents and approvals.

Motion adopted unanimously.

Groundwater Discussion-presented by the Environmental Advisory Committee

Mike Hanford representing the Environmental Advisory Committee delivered a presentation regarding the committees assessment of Groundwater resources.

In Summary:

- Groundwater resources are not in immediate peril.
- So far, we have been lucky, it is better to be prepared and attentive.
- We do need to understand what the current status is and when to be concerned.
- There are several prudent recommendations the Township should consider immediately.

Next Steps:

- EAC would like to educate the Supervisors further on spray fields.
- EAC will begin our study of water conservation options.
- Township KRPC representative/Sustainability Office – open discussions with KRPC.

Discussion:

Vice Chairman Leff asked where the Townships public water comes from. Discussions ensued with the Supervisors and Mike Hanford noting that they believe the water comes from the aquifer that the Township sits on. Chairman Stevens noted that he believes that the water is mostly being piped in from the Octorara and asked that they be checked into by the EAC.

Discussions ensued regarding the need to get better and more updated data from the County noting that they do not expect to do studies for several more years, if funds are available.

No Action requested or taken.

Sewage Operations & Maintenance Agreement-201 Chandler Mill Road

Solicitor Sander presented a Sewage Operations & Maintenance agreement for 201 Chandler Mill Road noting the agreement ensures that the property owner maintains the sewage system on the property and give the Township authority to take action if maintenance is not performed per the PA DEP requirements which are laid out in the document. Alison Rudolf noted that the property owner currently has an agreement but this is updated with current standards set forth by PA DEP. Solicitor Sander commented that the agreement has been reviewed by the Township Engineer and himself.

The current property owner, Ed West provided a history of the agreement noting that he is in the process of selling the home and contacted the Township to see what the process was for the transfer of the agreement, at that time, the Township engineer noted that the that the language had been updated by DEP so it was best to update the agreement.

Solicitor Sander noted that this agreement gives the Township enforcement rights if the system is not maintained.

Supervisor Hoffman made a motion to authorize the Chairman of the Board of Supervisors to execute the Sewage Operations & Maintenance agreement for 201 Chandler Mill Road. Vice Chairman Leff seconded the motion.

Discussion:

Vice Chair Leff asked if there is a reason there is a need for this type of system on the property. Mr. West replied noting that the system was install prior to him purchasing the home but understands that there were issues getting the property to perk.

Motion adopted unanimously.

Alison Rudolf reported that Mr. West had presented a request to be reimbursed for an escrow of \$1500.00 that the owners had with the Township as part of their original agreement with the Township. Alison Rudolf noted that the Township does not have any records of receiving this escrow money and in the absence of any proof that funds were received, she could not authorized the reimbursement. Mr. West noted that the \$1500.00 was added to the purchase price of the home

when he bought it but does not have any receipts or documentation stating the money was received by the Township. Chairman Stevens stated that he feels bad, without any link, the Township is hard pressed to make any payment. Chairman Stevens noted that the door is not closed, if any documents are found, this matter can be revisited.

Payroll Service Recommendation

Alison Rudolf presented a recommendation for the Board of Supervisors to engage “The Payroll Authority” to perform payroll duties for the Township. Alison Rudolf commented that she surveyed fifteen other municipalities and 11 of them use an outside payroll service and those who use the payroll factory are satisfied with their services. Alison Rudolf noted that the base per pay would be \$94.00 which covers processing the payroll, sending out the ACH’s, take care of garnishments, file payroll taxes including unemployment and year end w-2’s and HR accounting of employee leave time. Alison Rudolf noted that this will modernized the current system while increasing the internal controls and security.

Supervisor Hoffman made a motion to authorize Alison Rudolf to contract with The Payroll Factory at a cost not to exceed \$3000 per year. Vice Chairman Leff seconded the motion.

Discussion:

Alison Rudolf commented this would start beginning the fourth quarter.

Vice Chairman Leff asked what the submission and approval process was. Alison Rudolf reviewed the options on how to set up noting the control levels available. Supervisor Hoffman discussed with Alison Rudolf the accounting options since funds are coming out of different account.

Richard Gaw asked if Alison Rudolf used a payroll service in her previous position, she responded no but they had a more comprehensive accounting system.

Richard Gaw asked what the payroll process is currently. Alison Rudolf reviewed the submission process including the review of the manager and supervisors and that there is always at least two reviewers before getting released which ends. Vice Chairman Leff commented that the final amounts are on the check registers which are reviewed by the Supervisors.

Hunter Tower asked which other payroll companies were looked at and what the cost differences were. Alison Rudolf responded that she looked at Paychex and Evolution payroll services noting that paychex was more expensive at about \$4000 per year and Evolution was less at about \$1700 per year but they did not do as much. Alison Rudolf noted that after review, The Payroll Factory was chosen because of their reputation and noted that they shared their stock one audit which shows that they are aware of their internal controls noting the evaluation of their systems and the fact that they do their unemployment and garnishment filings.

Motion adopted unanimously

Police Personnel Issues

Chairman Stevens commented that at tonight’s executive session, personnel issues were raised that require a motion during a public meeting but since the details are personnel specific, cannot be fully disclosed.

Supervisor Hoffman made a motion to authorize the Chief of Police to make staffing adjustments based on department requirements regarding Family and Medical leave impacting current scheduling within his current budget. Vice Chairman Leff seconded the motion.

Motion adopted unanimously

SUBDIVISIONS

Hnos Lara-Escrow Release #3 (Final)

Alison Rudolf presented an Escrow release request #3 in the amount of \$103,624.30 for the Hnos Lara application. The Township Engineer has reviewed the request and recommends that the Township only release \$72,664.00, as work still needs to be completed. This would leave an escrow balance of \$30,960.30.

Supervisor Leff made a motion to approve Escrow Release #3 in the amount of \$72,664.00 for the Stonehouse development. Hoffman seconded the motion.

Discussion:

Chairman Supervisor confirmed that the money left in escrow covers the work that is left to be completed. Alison Rudolf confirmed that there is, they money left is mostly the 10% contingency.

Motion passes unanimously.

PUBLIC COMMENT

None

ADJOURNMENT

**Supervisor Hoffman made motion to adjourn. Vice Chairman Leff seconded the motion.
Motion adopted unanimously.**

The meeting adjourned at 8:43 p.m.

Respectfully submitted,
Michael O'Brien
Recording Secretary