

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

**November 25, 2019  
SPECIAL MEETING**

Chairman Stevens called the Special Meeting of the Board of Supervisors to order at 7:00 p.m.

Present:       Chairman, Scudder G. Stevens  
                  Vice Chair, Dr. Richard Leff  
                  Supervisor, Whitney S. Hoffman  
                  Township Manager, Eden R. Ratliff  
                  Finance/HR Director, Amy Heinrich  
                  Public Works Director, Roger Lysle

**Announcements**

Chairman Stevens announced that the meeting tonight is a Special Meeting of the Board of Supervisors and he will not be reporting on the investigation with the exception to say there are no new updates.

**2020 Budget Discussions**

Township Manager Ratliff opened the meeting by announcing the documents for tonight's table have been distributed and for those viewing live, the documents are on the main page of the Townships website. Ratliff reviewed the budget process and that status of the budget building process noting that a final budget will not be adopted tonight. Ratliff announced that the materials being presented have been posted on the Townships website for those tuning in live from home.

Heinrich reviewed the following portions of the budget:

**Open Space Fund**

- Open Space Income
  - Fee in Lieu of contributions
  - Interest
  - Open Space Tax
  - Grants
  - Contributions and Donations
  - Proceeds from loan

Ratliff noted that the estimated \$1.4 million draw on line of credit pertains to potential real estate transactions that may happen in 2020 but are not guaranteed, Ratliff explained the details of the properties cannot be discussed as it could interfere with any negotiations which is typical for real estate transactions.

- Open Space Expenditures
  - Open Space Purchases
  - Easement Expenses
  - Contributions
  - Parks & Properties
  - Salaries
  - Contracted/Professional Services
  - Bank Service Charges
  - Grant Funding
  - Debt Service

### **Discussion:**

Ratliff noted that the Township has a joint obligation with the Borough to KAPA as a joint authority and noted that he is in ongoing conversations with KAPA regarding ways to ensure the effective and efficient delivery of the services they provide which have been positive. Leff asked if the KAPA donation is any different than last year, Heinrich responded no.

Stevens asked to clarify the TLC contributions and what the funds are used for. Heinrich, Ratliff and Pride reviewed the services provided by TLC for the \$96k contributions from the Township including the five preserves that TLC manages, Todd Pride of TLC noted that the preserves that are open to the public include:

- New Leaf Eco Center
- State line woods
- Marshall Mill House
- Marshall Bridge
- Chandler Mill Nature center

It was noted that these properties are just over 300 acres including Lord Howe which is managed by two full time staff members.

Stevens asked why Lord Howe is carved out separately. Pride responded that Lord Howe is separate as it was newly added on. It was also noted that there is a \$50k grant match included in the number.

Todd Pride provided an overview of what would happen if Kennett Township decreased funding to TLC. Pride responded that staff would likely need to be reduced and/or the preserves would have to be have limited public use.

Ratliff confirmed that the only legal agreement between the Township and TLC is for Lord Howe, there is no agreement for the \$146k and it is discretionary spending for TLC.

Discussions occurred regarding what impacts cutting the TLC contribution would have on the organization. Noted impacts included elimination of staff and decreased public access to the preserves.

Ratliff confirmed that the ultimate responsibility of maintaining the preserves is that of TLC and not the Township as the Township does not have any ownership.

Leff commented on the history of the donations to TLC noting that it was just several years ago when the Township started contributions.

Barb Biedekapp commented that people outside the Township use these lands and asked if other municipality's the Township provide funding. Pride responded none from other municipalities, only private contributions.

Leff asked how much the total operating budget is for TLC. Pride responded \$700k.

Heinrich commented that it would behoove TLC and the Township this year to work on defining and prioritizing the services and look for alternate revenue streams.

Stevens commented on the amount of equipment and additional staff that it would take to manage to open space in the Township and feels that the contribution to TLC is worth the \$96k and asked Lysle for his opinion. Lysle noted that he would need to review. Ratliff noted that the five preserves that need to be managed are not owned by the Township. Stevens noted that he understands but feels that he does not think there should be a change in the current relationship at this time. Discussion ensued.

Mary Dougherty noted that the Township will need to decrease its contributions in the future.

Leff asked Pride how many acres does TLC manages. Pride replied that it manages just under 1500 acres but the only properties open to the public are in Kennett Township.

Jeff Yetter commented that only a credited organization can own easements and noted that it is not cheaper for the Township to maintain the land.

Pride commented on the benefits of using TLC noting that they are local, cheaper than other organizations and since located in the Township, more focused on the Townships needs.

Carol Kerns commented on the goal of 30% of open space and the need to have a plan of expenditures that go along with the purchases of open spaces including maintenance.

Ratliff commented that he is interested in knowing the amount of preserved but not included in the open space calculations.

Ratliff commented that there is not a standard process in acquiring open space but that is on the list.

Jeff Yetter commented that the land purchase process is not linear and depends on being able to purchase property as soon as it becomes available, so it does not get into developers' hands.

Mark Tandarich asked where the expenditures for the Pines/Fussell house falls into the budget. Heinrich responded that there are no major expenses budgeted for this year. Stevens responded that the Township is working with nonprofits that may want to lease or purchase the house and the goal was to stabilize it. Ratliff commented that the general utilities are part of the general fund.

Leff commented on the balancing act of purchasing and maintaining open space.

Jeff Yetter commented on the “Chester County return on the environment” data that is available on the County website and urged everyone look it up and review it.

Pride commented that TLC’s number one priority is supporting Kennett Township.

Barb Biedekapp commented that she does not understand why other municipalities can not contribute to land that is used by their residents.

Joe Duffy asked if there is a flow for the “fee in lieu” money to get directed towards park and recreation expenditures. Heinrich responded that she believes it is pretty general.

Diane McGovern asked if the Dog Park at Barkingfield could be expanded noting its high usage. It was reported that there is not any additional room in our easement envelope to expand there.

Heinrich and Ratliff commented on Spar Hill and the need to develop a specific plan for the exact needs of Spar Hill prior to going into easement. It was noted that the demolition of spar hill could be put off to 2021 with exception of \$20k of demolition that is needed to be spent for the grant.

Heinrich asked the Board on their opinion of a possible deficit of about \$250k. Leff commented that it will be useful to know what the annual re-occurring expenses. Discussion regarding the fund balances ensued.

## **Sewer Fund**

Heinrich reviewed the following income and expenditure categories for the Sewer fund.

- Sewer Fund Income
  - Commercial Sewer Fees
  - Residential Sewer Fees
  - Interest
  - Misc. (sewer certifications)
  
- Sewer Fund Expenditures
  - Salaries & Benefits
  - Sewer Treatment Expenses
    - Kennett Square Borough
    - East Marlborough Township
  - Engineering
  - Legal
  - Maintenance, Repairs & Supplies
  - Utilities
  - IT Services

- Insurance
- Banking Service Charges

## **Discussion:**

Heinrich noted that she will be looking closed into the structure of the payments to the Borough and the rates that are charged.

Heinrich noted that part of the budget includes half the monies to complete an Act537 sewer plan which is half of what the plan will cost, the other half would be part of the 2021 budget.

Stevens asked if the cost that needs to be done on the Rosedale road line included in the budget. Heinrich responded it is in the capital plan on page 2.

Carol Kerns asked if the \$60k budget for repairs would include replacing pumps.

Barb Biedekapp commented that she is surprised on the high cost to run the pump stations as she has experience running a sewer authority that was not this high. Ratliff commented that in his experience, every station is different and commented on the uniqueness of each system.

Ratliff commented on the need for planning on the sewer infrastructure. Stevens commented that planning has been done in the past noting the plan for the granite ridge site was slated for spray irrigation.

Leff asked how much the ACT 537 plan will help in our planning. Ratliff commented that he expects the study will create additional liabilities and the plan will help identify where sewer is needed in the system and how to address issues.

Hoffman asked if the Salaries costs will be directly allocated to the sewer fund. Heinrich and Ratliff replied that it would be.

Discussion on the need and options for a sewer rate increase ensued.

Discussion regarding the dividing up of general township expenses across funds like sewer instead of charging it all to the general fund ensued.

Hoffman commented that if an increase is needed, the Township will have to show detailed calculations on how the sewer rate is determined.

Discussion regarding the ability of holding off on a \$30K portable pump purchase ensued. Carol Kerns commented that from experience, it is a good idea for the Township to have a back up pump.

Ratliff reported that the proposed capital budget expenditure for the Rosedale Road sewer line improvements are included.

Ratliff commented that we are not covering operational expenditures and will come back to the Board at next week's meeting with recommendations to lower the deficit.

Mark Tandarich asked if there is an idea of what the sewer increase may need to be. Ratliff responded no, the numbers are still be grinded and hopes to have a better idea at next week's meeting.

Carol Kerns asked which other funds there are to report on. Heinrich responded that the other funds like liquid fuels and Library Operating that are pass through so don't need action by the Board of Supervisors at the budget workshops because they are in & out.

**All Action deferred.**

**PUBLIC COMMENT**

Hoffman thanked everyone for their hard work and to the public for their involvement.

**ADJOURNMENT**

**Supervisor Hoffman made motion to adjourn.**

**Vice Chairman Leff seconded the motion.**

**Motion adopted unanimously.**

The meeting adjourned at 9:39 p.m.

Respectfully submitted,

Michael O'Brien

Recording Secretary