

Tredyffrin Township

Minutes – November 17, 2008

The second regular meeting of the Board of Supervisors of Tredyffrin Township for the month of November was held on the above date at the Township Building. Board members present included Warren Kampf, Chairman; Robert Lamina, Vice Chairman; Mark DiFeliciano, John DiBuonaventuro, Judy DiFilippo, and Paul Olson. Also in attendance were Mimi Gleason, Township Manager; Stephen F. Norcini, Director of Public Works; David Brill, Finance Director; Stephen Burgo, Township Engineer; Superintendent Andrew Chambers; Thomas Hogan, Solicitor; Lt. Anthony Giaimo; and Jolene Buffman, Recording Secretary.

Call to Order

Mr. Kampf called the meeting to order at 7:35 p.m.

Minutes

Motion was made by Mr. Olson, seconded by Mrs. DiFilippo, and passed unanimously to approve the minutes of the regular meeting held November 10, 2008, as amended.

Announcements

The Board of Supervisors will hold a continued public hearing on Monday, December 1, 2008 to consider adoption of a new Comprehensive Plan.

The Board of Supervisors will hold a public hearing on Monday, December 1, 2008 to consider amendments to the Institutional Overlay Zoning District ordinance.

Financial Report

Mr. Brill presented the Financial Report for October 2008:

Financial Performance Year-to-Date versus Budget

	<u>YTD vs. Budget – Fav (Unf)</u>				
	<u>Revenue</u>	<u>Expenses</u>	<u>Total</u>	<u>Concerns</u>	<u>Yr. Forecast</u>
General Fund	(631,129)	561,011	(70,118)	Real Estate Market	On Budget - \$2,049,958 Operating Deficit
Sewer Utility Fund	(20,243)	360,184	339,941	None	\$350K to \$450K Favorable to budget
Valley Creek Trunk Sewer Fund	6,622	72,960	79,582	None	\$750K Operating Deficit On budget
Township Wide Expenses		971,805		None	\$750K to \$850K Favorable to budget

4561

Cash & Investment Position - Reserves and cash flow remain healthy.

	<u>Balance \$M</u>	
	<u>Current</u>	<u>Prior</u>
Unrestricted	16.6	17.2
Restricted	45.6	48.1

Debt Position – Current with debt payments and covenants.

Police Report

Supt. Chambers said the perpetrators of the October robberies at the Strafford Sunoco and the Strafford Dunkin Donuts have been arrested. He said the police were able to act quickly to make these arrests. He showed a video of the robbery which occurred at the Dunkin Donuts.

Fire Companies Reports

Jim Curran presented October's report for the Paoli Fire Company. There were 15 fire calls and 36 EMS calls, as well as 8 false alarm calls in Tredyffrin. Total fundraising has improved slightly with 38% of residents responding, and 16% of businesses responding.

Eamon Brazunas presented Berwyn's report for October. There were 34 fire calls for the month. The annual audit came back positive, and the budget is balanced for the year. He reminded residents to get their chimneys cleaned and their oil burners checked.

Public Works

Mr. Norcini reported some of the monthly activities of the Public Works Department included repairing and cleaning inlets, inflow and infiltration of the sewer system, and maintaining compost facilities. Capital projects are moving along.

Engineering Report

Mr. Burgo said the survey is complete for Phase II of the Sidewalk Project, and there have been several meetings on the intersection of Old Lancaster Avenue and Howellville Road. Stormwater activity includes the Croton Road culvert replacement and Old State Road drainage project. These projects are underway and should be completed prior to the end of the year. The design is complete for the Pugh and Old Eagle School Road project, and we are working to obtain stormwater easements from four properties.

Miscellaneous - Supervisors Liaison Reports

Motion was made by Mr. Olson, seconded by Mr. Lamina, and passed unanimously to reappoint Giovanni D'Amato to a 4-year term on the Planning Commission; term to expire November 28, 2012.

Motion was made by Mr. Olson, seconded by Mrs. DiFilippo, and passed unanimously to reappoint Larry Berglund to a 3-year term on the Library Foundation; term to expire June 30, 2011.

Miscellaneous - Supervisor Liaison Reports

Mr. DiBuonaventuro said the new 501(c)(3) Park and Recreation Foundation is looking at nine individuals to appoint to the Board. The names will be presented to the Board of Supervisors for their "advice and consent". This process may be completed in December.

Miscellaneous - Master Casting Agreement with the PA Department of Transportation

Mr. Norcini said this agreement and resolution allows PennDot to adjust manhole castings for various projects that occur in the Township. He said we usually do this work ourselves, but in the event it would be a large amount of work, we could have this work subcontracted out. This agreement allows us to use a PennDot contractor, if we choose.

At the end of discussion, motion was made by Mr. Olson, seconded by Mrs. DiFilippo, and passed unanimously to adopt a Master Casting Agreement with the PA Department of Transportation.

Miscellaneous - Preliminary 2009 Budget

Ms. Gleason said we have made a very serious attempt to streamline and reduce our budget. The largest spending category is compensation for staff, about one-third of the \$37.2 million 2009 budget, and we are proposing a 1.3% increase. Capital spending is down significantly. Overall, our operating expenses will increase by 1.6% for all funds. Capital expenses will decrease 53%. Public Safety is 32% of our total budget, or \$405/capita, and we are budgeting a 2% decrease. Police staff is the largest expenditure in that category. Budget savings include eliminating 1 officer position, defer filling 2 officer vacancies, and defer the purchase of 3 vehicles. Emergency Services is budgeted for \$2.3 million, mostly from the General Fund. We will maintain the same capital contribution to fire companies started last year.

Infrastructure makes up 27% of the total budget or \$341/capita. The largest category is Streets, Bridges and Highways and we are proposing \$8.3 million. We will be deferring the purchase of two vehicles. Stormwater is budgeted at \$1.6 million. In the Environmental Services category, the sewer system makes up 98%, 22% of the total budget, or \$281/capita. 38% of this spending goes to treatment costs.

Culture is 17% of our total budget or \$213/capita, a 48% decrease. Parks are budgeted at \$3.7 million. We will be deferring purchase of all maintenance equipment. Community Programming is budgeted for \$.3 million. Community Day expenses of approximately \$18,000 will be offset with fundraising. \$2.1 million is budgeted for the Tredyffrin and Paoli libraries. We will defer hiring a teen librarian and part time staff, as well as deferring building repairs. The only increase in the budget is for the contribution to the Tredyffrin Public Library for

increased operating costs due to the new addition. The addition should be complete by the end of this year.

\$1 million is proposed for Land Use and Construction, which is a 10% decrease compared to 2008 spending. We are deferring filling one inspector vacancy and deferring the implementation of the Comprehensive Plan. Support Services and Overhead are budgeted at \$6.7 million, 18% of total, and 2% less than 2008 spending. We will be deferring the phone notification system, IT purchases and an administrative vehicle.

The budget includes \$1.4 million of deferrals or cuts in spending to offset an anticipated \$1.3 million decline in general fund revenue.

Ms. Gleason concluded her presentation by saying we still have the long term issue of the deficit and she is requesting a 5% tax increase to raise an additional \$382,000. This will require drawing down reserves by \$2.2 million. She said the Board and staff need to put their heads together to come up with a long-term solution for the deficit.

Allen Rowl of Mountainview asked what the real shortfall number was for 2009. Mr. Brill said the cash balance for 2008 will be \$11 million and the balance will drop to \$8 million in 2009, which includes a \$299,500 shortfall. Mr. Rowl spoke against a tax increase.

Ms. Gleason said by 2011-2012 we will be out of reserves. She is asking for a small increase to get to a balanced budget before we run out of reserves. A resident asked when we would run out of reserves. Mr. Brill said without a tax increase, he would say our reserves would be completely depleted in late 2010 or 2011.

Ms. Gleason was asked about longevity pay for employees and she said it was to pay employees for their years of service. Employees only receive a cost of living increase, and we try to reward long term employees to keep their expertise here.

Mark Werther thanked Ms. Gleason for her clear presentation, but said he did not have enough time to review the budget. He asked if the sewer funds were solvent, and Ms. Gleason said they were very solvent. He thought areas that needed adjustment were consultations and capital improvements. Jack Marchiano questioned salaries for 2009, and said revenues are going down but salaries are going up. Joe McManus asked why deferring the hiring of two police officers saved less than eliminating one position, and wondered if someone was keeping an eye on retirement benefits. Mr. Kampf said the deferrals involve entry level patrol officers who come in at a fairly low salary while the position to be eliminated is the Captain's position which was paid higher. Ms. Gleason said we are expecting by 2010 to see an increase in pension obligations because there has been such a decrease in the stock market. She said we are taking a long look at the cost of retirement benefits and putting money away for that.

Mrs. Arnold asked what percentage the Township pays to employees' retirement plans. Ms. Gleason said there are different plans for employees. Non-uniform employees receive pension based on their years of service, and employees contribute to their pension fund. Mr.

Brill said non-uniform employees are vested after eight years. The Township pays retiree medical benefits. Mrs. Arnold said she didn't think the Township should pay this.

Ray Clark said it was a good presentation and showed where the money goes and how we are holding the line on expenses. He also felt there was not enough time to review the budget.

Barbara Morosse said employee benefits should be put on the Township website. She asked about longevity pay. Ms. Gleason said depending on the category of employment, after six years of service, an employee would receive 3% of their salary. After eleven years, they would receive 6%. Mrs. Morosse asked how many employees have been added in the last several years, and Ms. Gleason said 4 full time employees. She asked if there was ever a salary freeze. Mrs. DiFilippo said no, because so many of our employees (60%) are in a union. Mrs. Morosse suggested deferring construction of Westover Park in 2009. Mrs. Morosse asked when we evaluate salaries and Ms. Gleason said every year during the budget process. We also get a sense of how our salaries compare to the private sector when we have to replace someone. We have had trouble filling positions. Ms. Gleason said our salaries are lower compared to the private sector, and even other townships. Maynard Honesty asked if we had salary ranges, and Ms. Gleason said we don't.

Joe Muir said there were good points tonight and asked when we started the budget process. Ms. Gleason explained the process began in August, and said by law we have to have a balanced budget adopted by the end of the year. Mr. Muir said he thought the tax increase should be decreased. Ms. Gleason said she thought long and hard about the tax increase. A 5% increase is a \$24 increase of assessed values. Other residents said they were against the tax increase.

Mr. DiFelicantonio asked if there was a recommendation for municipalities to have a reserve. Ms. Gleason said it is not a requirement. The Board has a policy that we maintain two to three months of operating cash flow in the General Fund. Beyond that, it is up to the Board what they want to maintain.

Mr. DiBuonaventuro said we have an opportunity to rethink and re-engineer the way we do business here. He suggested creating a citizen budget oversight board with three to five members, to rethink the way we do things. The items in the budget he has difficulty supporting are the deferment of two police officers and deferring the citizens notification system.

Mr. Lamina said in addition to the deferrals already in the preliminary budget, and to take immediate steps to begin to address the structural deficit, he made the following motions:

1. Institute a salary freeze in 2009 for all non-represented employees, not covered under collective bargain or contractual arrangement.
2. Freeze longevity pay in 2009 for non-represented employees.
3. In coordination with the Personnel Committee of the Board of Supervisors, the Township Manager shall assign the utmost priority, with the goal that by the end of the 1st quarter 2009, but no later than the end of the 2nd quarter, institute a Performance Management

system for all non-represented employees, with the longer term goal of establishing such a system for all Township employees.

4. In coordination with the Finance Committee of the Board of Supervisors, as part of the 2010 budget process, the Township Manager shall recommend an amount based on a to be determined percentage of the total payroll at the end of calendar year 2009, to make available for performance based merit increases beginning in 2010.
5. The Township Manager is directed that no expenditures be made to support Community Day in 2009, unless or until either private funds or contributions from the newly planned Park and Recreation 501(c)(3) organization have first been obtained.
6. The Township Manager is directed that no expenditures be made to support the Summer Concert Series in 2009, unless or until either private funds, or contributions from the newly planned Park and Recreation 501(c)(3) organization have first been obtained.
7. Reduce General Fund Expenditures from budget for Tredyffrin public libraries in the amount of \$25,000.
8. No office or other administrative interns shall be employed in the Township in 2009.
9. Delete general fund expenditures for resurfacing of tennis and basketball courts in Strafford Park in 2009.
10. Delete general fund expenditures for the planned purchase of replacement laptops and PC's.
11. Staff is hereby directed to solicit via the most expedient means necessary, proposals from all qualified health care providers to reform our health care system in Tredyffrin, with the goal to provide greater choice in health care coverage for all employees while at the same time requiring a contribution to the total cost of their health care premium, in addition to customary co-pays for doctor visits, prescription drugs and other health care procedures as applicable. It should be the goal that the new health care system be in place not later than the 3rd quarter of 2009, and in a timeframe necessary to implement likely cost savings that would result into the 2010 budget.

Mrs. DiFilippo asked if Mr. Lamina had a dollar amount for these line items for savings. Mr. Lamina said he estimated very loosely these changes relative to the next year budget would offset half of the 5% tax increase. Mr. Kampf said a salary freeze would be \$93,000 in savings. The longevity freeze would save \$12,000.

Mrs. DiFilippo said she agreed with some of the items, but not all. She agreed with finding a new system how we present the budget to the public. Closing the library needs to be discussed. She has pension worries as we have to fund it 100%, and she won't support a salary freeze.

Mr. DiFelicianantonio agreed we should revisit some of our expenses. He said employee evaluations are a solid idea. Reducing library hours, not paving tennis courts or having park days are quality of life issues. He said residents live here because the quality of life is very nice. He suggested postponing Westover Park, and cautioned about reducing the quality of life to save a few bucks. He said he won't support the motion.

Mr. Olson seconded Mr. Lamina's motion.

Mr. DiBuonaventuro amended Mr. Lamina's motion to:

1. Include two deferred police officers
2. Include the citizen's notification system
3. Make deferrals of salary increases voluntary, not mandatory.

Mr. DiBuonaventuro said he would forego the \$3,000 paid to him by the Township.

Mr. Lamina said he would keep his motion. Mr. DiBuonaventuro said he would compromise and keep two police in the budget at the cost of one for \$60,000.

There were several citizen comments against a tax increase and employees' salary increases.

Mr. Lamina made a motion to temporarily table his motion to allow Mr. DiBuonaventuro's motion for the citizen's notification system and deferral of the police officers. Mr. DiBuonaventuro seconded the motion. A vote was taken and the motion passed.

Mr. DiBuonaventuro made a motion to form a task force that would oversee budget financing and operations of the Township to include a minimum of three, but no more than five citizen members to coordinate with the Township staff and Finance Committee or a liaison appointed by the Chairman to review the three elements he mentioned. Mr. DiFelicianantonio seconded the motion.

Mrs. DiFilippo asked if this would be a permanent board, and Mr. DiBuonaventuro suggested just for next year and see the results. A vote was taken and the motion passed unanimously.

Mr. DiBuonaventuro made a motion to add the citizen's notification system to next year's budget at a maximum cost of \$10,000. Mr. DiFelicianantonio seconded the motion. Mr. DiBuonaventuro said it could be implemented January 1st. We would have a six month trial for free, and the fee for next year would be in the vicinity of \$7-8,000. Mr. Olson said this was not necessary. Mrs. DiFilippo said she would support July 1st for implementation so there wouldn't be as much out of pocket money.

Mr. DiBuonaventuro amended his motion to begin the citizen's notification system on July 1st with \$2,000 in expenditures. Mr. DiFelicianantonio seconded the motion. A vote was taken with Mr. DiFelicianantonio, Mr. DiBuonaventuro and Mrs. DiFilippo voting yes, and Mr. Lamina, Mr. Kampf and Mr. Olson voting no. It was a tie, and the motion did not pass.

Mr. DiBuonaventuro made a motion to add \$60,000 to the police budget, keep the head count at 50, and allow Supt. Chambers the authority to manage the hiring throughout the year. Mr. DiFelicianantonio seconded the motion. Mr. Kampf said this is only a deferment, and we still would be imposing a significant weight on the non-union, non-uniform staff, but he could support it. A vote was taken and the motion carried by a vote of 5-1 with Mrs. DiFilippo voting no.

Mr. Lamina reinstated his tabled motion and Mr. Olson seconded the motion.

Mrs. DiFilippo said Mr. Lamina's motion saves us approximately \$170,000, which is a reduction of 2 ½% of the increase in the budget proposed. Ms. Gleason asked for the same opportunity given to Supt. Chambers to find \$162,000 to offset the freezes in salary and longevity for one year between now and December 15th.

A vote was taken. Mr. DiBuonaventuro, Mr. Lamina, Mr. Kampf and Mr. Olson voted yes. Mr. DiFeliciantonio voted no. Mrs. DiFilippo said she would support the motion if Mr. Lamina would agree to Ms. Gleason's request. He refused and she voted no. Motion carried.

Mr. Kampf made a motion to instruct the Superintendent of Police to allow no more than nine police officers of any rank to participate from year to year in the SWAT team. Mr. Lamina seconded the motion. Mr. Kampf said contributions from other surrounding townships were one or two officers, and we have twelve officers on the SWAT team. Mr. DiBuonaventuro asked if this was just for this year, and Mr. Kampf said it could be revisited. Motion passed unanimously.

Mr. Kampf made a motion to increase millage for 2009 by 2.4%. Mrs. DiFilippo seconded the motion. Mr. Olson amended the motion from 2.4% to 2%, but Mr. Kampf did not consent. A vote was taken and it passed 4-2 with Mr. Olson and Mr. DiBuonaventuro voting no.

Mr. Lamina made a motion to adopt the 2009 Preliminary Budget as amended. Mr. Olson seconded the motion, and it passed unanimously.

Miscellaneous - Decision regarding the employment status of an employee

Mr. Kampf made a motion to affirm the Level 1 and 2 decisions of the Superintendent of Police and the Township Manager to suspend pay and terminate Michael McCarthy. Mrs. DiFilippo seconded the motion and it passed. Mr. DiBuonaventuro and Mr. Lamina did not participate in the vote.

Escrows

Motion was made by Mrs. DiFilippo, seconded by Mr. Lamina, and passed unanimously to release \$1,626.97 from Wells Fargo Bank, NA to 676 and 656 Swedesford Associates, LP, covering site improvements at 676 and 656 Swedesford Road; balance remaining \$35,806.79.

Motion was made by Mr. Olson, seconded by Mrs. DiFilippo, and passed unanimously to release \$81,026.50 from Sovereign Bank to Eadeh Enterprises, covering site improvements at 901 Lancaster Avenue; balance remaining \$68,973.50.

New Matters – Board

Mr. Kampf said the Board met in Executive Session to discuss personnel and legal matters.

New Matters – Citizens

None

Meeting was adjourned at 11:15 p.m.

Respectfully submitted,

Jolene E. Buffman
Recording Secretary