

MINUTES
EXETER TOWNSHIP BOARD OF SUPERVISORS MEETING
MONDAY, NOVEMBER 9, 2020

Public Meeting

A Regular Meeting of the Exeter Township Board of Supervisors held virtually was called to order on Monday, November 9, 2020 at 7:02 PM by David Speece, Chairperson.

Supervisors Present: David Speece, Chairperson
Michelle Kircher, Vice Chairperson
John Cusatis
Gregory Galtere
Joseph Staub

Absent: None

Others in Attendance: Jeff Bartlett, Township Manager
William Benzing, Eckert Seamans
Timothy Care, PNC Bank
Laurie Getz, Township Secretary
Clarence Hamm, Highway Superintendent
Elizabeth Magovern, Hartman Valeriano Magovern & Lutz, P.C.
Wendell Morris, Chief of Police
Joseph Rogosky, Great Valley Consultants, Township Engineer
Jennifer Savage, Finance Director
Jamie Schlesinger, PFM Financial
Marc S. Stein, Eckert Seamans

REGULAR MEETING

The Meeting was opened with the Pledge to the Flag.

PUBLIC COMMENTS: Agenda Items

Public comments were submitted in advance of the meeting via email and voicemail. The e-mail comments were dictated by computer software.

NONE

PRESENTATIONS

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Bond Refinance Presentation

Jamie Schlesinger of PFM Financial reviewed a presentation on the maximum parameters sale document and next steps in the bond refinance process. A copy of the presentation is attached to these minutes.

Provided market update, rates remain low at this time. Started credit rating process through Moody's Investor Service, working to get an upgrade on the Township's credit rating. Expect a response later this week. A lot of positive improvements to the Township's finances have been made over the past few years, so hoping for a AAA rating. Tonight the Board will be asked to authorize the Ordinance which allows for step 1 and step 2 of the bond refinance process.

Reviewed debt profile for the Township, and plan for maintaining current debt payment and locking in current rates. Reviewed refinance schedule, the next step is to pass the ordinance this evening.

Locking in the rates will take place around Thanksgiving, and then the plan is to pay off the first set of bonds around the first of the year.

Explained parameters ordinance which gives financing team and officials authority to do the necessary tasks to reach settlement. This is a multi-step process. The borrowing amount looks high, but that's because nothing is locked in yet. This will look different once the rates are locked.

Ms. Kircher asked for clarification, stated we will be saving money up front but paying more over the long run.

Mr. Schlesinger responded that there is a present value savings, interest expense is being reduced over time. The interest rates are being reduced, debt is being extended somewhat in order to address the future balloon payment. According to present value the Township will be saving about \$700,000.

Ms. Kircher asked if it would be more beneficial to just use reserves to pay the debt off now. **Mr. Schlesinger** responded stating that there is a balance required between using cash and planning for the future. Because of the current interest rates, it makes sense to lock in the low rates to pay overtime while maintaining capital reserves.

Mr. Staub asked about rates. **Mr. Schlesinger** responded that he believes when said and done rates will be in the 3.5 – 4% range.

Mr. Staub stated that leveling of the debt allows for proper planning. We are lowering and leveling the debt, taking advantage of the lower interest rates.

Mr. Schlesinger clarified that the series 2015A rate will likely be between 2-3.6%. The second series to be refunded is the taxable bond and will have a higher rate, around 4%. Expect mid to high 3's when done.

Consider Adopting Multi Series Parameters Refunding Ordinance

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William Benzing of Eckert Seamans reviewed the ordinance that they prepared. The ordinance authorizes the maximum amount of bonds to refund the 2015A and the general obligation note 2015. Authorizes sale of new bonds to PNC bank, and sets forth the numbers included in the parameters schedule. Authorizes other actions in accordance with state laws.

MOTION of Mr. Speece seconded by Mr. Staub, the Board APPROVED adoption of the Multi Series Parameters Refunding Ordinance.

Ms. Kircher is opposed, stating that she may change her mind when she sees the other numbers.

Mr. Schlesinger, Mr. Stein, Mr. Care, and Mr. Benzing left the meeting at 7:23PM.

REGULAR APPROVALS

Regular Minutes – October 26, 2020

MOTION of Mr. Cusatis seconded by Mr. Galtere, the Board UNANIMOUSLY APPROVED the October 26, 2020 Board of Supervisors Minutes.

Special Budget Meeting Minutes – November 2, 2020

MOTION of Mr. Staub seconded by Mr. Galtere, the Board APPROVED the November 2, 2020 Board of Supervisors Minutes.

Mr. Cusatis abstained as he was not in attendance.

Disbursements – November 9, 2020

Ms. Savage reviewed several bills. \$4K paid to Fox Rothschild for various items still being finished up, \$98K paid to Herr Signals for traffic signal upgrades as part of the Perkiomen Ave project. The Township has some grant funding for this project through the Green Light Go program.

MOTION of Mr. Staub seconded by Mr. Cusatis the Board UNANIMOUSLY APPROVED payment of the bills presented on the Disbursement List dated November 9, 2020 in the amounts of \$217,814.07 in the General Fund; \$6,079.00 in the Fire Fund; \$80.28 in the Developer's Escrow Fund; \$670.50 Sewer Fund; \$11,121.50 in the Golf Fund; \$3,551.90 in the RCC F&B Fund; \$2,391.50 in the Promenade Fund; \$98,425.00 in the Capital Improvement Fund; \$292.19 in the Debt Service Fund; \$29,283.71 in the State Liquid Fuels Fund.

UNFINISHED BUSINESS

Monthly Golf Report

Mr. Speece explained that the report has been uploaded to the website. **Mr. Staub** stated that the performance continues to be strong and impressive. Anticipate another good month in November due to nice weather. **Mr. Speece** agreed that it's been a good year.

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Monthly Right to Know Report

Mr. Speece explained that the report has been uploaded to the website. Reported that all requests were handled in 5-days or less, no issues.

Mr. Bartlett agreed, there are a few outstanding issues with OOR for appeals but nothing else outstanding. **Mr. Staub** agreed, all issues being handled timely.

NEW BUSINESS

Consider Adopting Resolution Establishing the Procedures for the Procurement of Professional Services for Municipal Pension Systems in Accord with Act 44 of 2009

Ms. Magovern explained that there was a finding in the auditor's report of the Township's three pensions. Not unusual, there are new requirements under Act 44 regarding retention of professionals for pension related duties that many municipalities do not realize.

These policies must be established by resolution as part of the act, this is nothing to be concerned about it's something that many municipalities inadvertently overlook. As a result of the auditor finding the resolution and policies have been prepared and provided to the auditor's office which satisfied their findings.

Ms. Savage pointed out that Act 44 was established years ago, prior to anyone on this call being employed by the Township. **Ms. Magovern** further clarified that this requirement is somewhat hidden in the act and it is not uncommon for it to appear on audit findings.

Mr. Staub clarified that there is no penalty, just necessitates a resolution. **Ms. Magovern** confirmed.

Ms. Kircher asked if this is a one-time fix. **Ms. Magovern** confirmed.

MOTION of Mr. Staub seconded by Mr. Cusatis, the Board UNANIMOUSLY APPROVED resolution Establishing the Procedures for the Procurement of Professional Services for Municipal Pension Systems in Accord with Act 44 of 2009.

Consider Accepting Escrow for Engineering, Zoning, and Solicitor Reviews for Amendment of Township Commons Zoning District

Mr. Brugger explained that an applicant has proposed additional zoning language, which would require escrow money for Township staff to review and comment on this request at no cost to the Township.

Ms. Magovern stated the amount will be \$2,000. This is a standard process when an applicant is potentially requesting zoning changes. Preliminary review suggests that this change may be beneficial to the township. No cost to the township, and Planning Commission would have an opportunity to review. Escrow account would ensure no resources are spent by the township.

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Mr. Bartlett asked Mr. Brugger to review the details. **Mr. Brugger** explained that the applicant is asking to subdivide the shopping center into individual buildings and lots, called a financial subdivision. It allows the shopping center owner to potentially sell individual properties. This is an emerging trend. **Mr. Rogosky** stated that this would give relief to subdivide a building as a separate parcel, but are still required to provide for crossings and easements. Target is already on its own parcel.

Ms. Kircher asked if the applicant still has to pay their fees. **Ms. Magovern** stated yes. **Ms. Kircher** asked who will be making the final decision. **Ms. Magovern** stated the Board of Supervisors will make the final decision.

MOTION of Mr. Speece seconded by Mr. Cusatis, the Board UNANIMOUSLY APPROVED accepting Escrow for Engineering, Zoning, and Solicitor Reviews for Amendment of Township Commons Zoning District in the amount of \$2000, minimum of \$500.

Consider Approval of Demolition Bid for Promenade Shopping Center at 3925 Perkiomen Avenue

Mr. Bartlett explained that this project was bid by Great Valley Consultants, 8 bids were received and the low bid of \$187,000 by Wargo Enterprises. **Mr. Bartlett** recommends awarding the contract to them to demolish the Promenade shopping center, Giant to Blockbuster. All tenants have relocated.

Mr. Speece clarified that this is a necessary step based on the condition of the buildings. Finds this to be a good price. Mr. Staub asked if the bid is approved what the timeframe for the work to begin. **Mr. Bartlett** stated work would not likely start until December. **Mr. Staub** stated that it was his impression that the architects were reviewing for feasibility, would it be best to wait and see what they say before awarding this. **Mr. Bartlett** stated that KCBA will be on the next meeting to present their findings, but they have opined that the facility is not usable and they agreed with the demolition.

Ms. Kircher asked if this company will be removing the demolished material included in this bid. **Mr. Bartlett** confirmed that they will be removing the material as they demolish it. For context, the highest bid received was \$497,000 so the administration feels good about this bid amount.

Mr. Speece asked if the area will be fenced off along our property line. **Mr. Hamm** confirmed. Also explained that he's been meeting with the utility companies, also explained that township has learned that the Supportive Concepts building only has access to water and gas through our property. This will be an issue that needs addressing. Mr. Speece asked if people will still be able to access the properties that are still in business on the property. **Mr. Hamm** confirmed.

MOTION of Mr. Cusatis seconded by Mr. Galtere, the Board UNANIMOUSLY APPROVED awarding bid for demolition of Promenade Shopping Center to Wargo Enterprises, Inc in the amount of \$187,000.

Award Contract for Daniel Boone Homestead Master Plan to Simone Collins in the amount of \$99,945

Ms. Getz updated the Board on their request at the prior meeting that staff reached out to Simone Collins to negotiate their proposal rate to meet the other submitted proposal. The proposals were compared at length and staff feels that for the \$1700 additional funds after grant reimbursement we are

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receiving a higher level of service. Staff is recommending that the Board accept the proposal amount submitted by Simone Collins the minimally higher proposal cost is well demonstrated as justified.

Mr. Staub stated that he agreed, feels that the proposal justifies the slightly higher amount.

MOTION of Mr. Cusatis seconded by Mr. Galtere, the Board APPROVED awarding contract for Daniel Boone Homestead Master Plan to Simone Collins in the amount of \$99,945.

Ms. Kircher is opposed.

Mr. Speece asked to clarify that the matching funds are coming from the Park Fund. **Ms. Getz** confirmed.

Consider Proposal to Name an Unnamed Tributary of Antietam Creek as Spirit Creek

Mr. Bartlett explained that a request has been made to name a previously unnamed portion of Antietam Creek. A small portion of this unnamed tributary runs through Exeter. There is no cost involved, this is a formality. Mr.

MOTION of Ms. Kircher seconded by Mr. Cusatis, the Board UNANIMOUSLY APPROVED the Township Manager to agree to name an Unnamed Tributary of Antietam Creek as Spirit Creek.

Discussion on 2021 Animal Control Contract with Safety Net Sanctuary

Mr. Bartlett explained that the township is currently contracted with Safety Net Sanctuary for animal control services. The administration is looking to renew for 2021, the cost is slightly increased but the township will be receiving additional services. Contract amount is \$4000, plus a decommissioned K9 vehicle that will be provided as a donation. The vehicle otherwise would be junked by the township as we do not sell police vehicles.

Mr. Cusatis asked about microchipping, felt it was a great event, could it be something we do again. **Ms. Getz** replied yes, that is something we can look into in the future though it may be difficult with COVID.

Ms. Getz further explained that a great additional service that Safety Net Sanctuary is adding for 2021 is a guaranteed pick-up/transport with a one-hour response time. This will be something very helpful to the police department.

Mr. Galtere pointed out a typo on the agenda, services were provided to the Township in 2020, not 2019.

Ms. Savage stated that the Animal Rescue League's proposal for 2021 is an option of either \$1 or \$2 per capita which would amount to \$25,000 or \$50,000. **Mr. Staub** asked if the administration has been satisfied with Safety Net's service. Ms. Getz, Ms. Savage, and Mr. Bartlett replied yes.

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MOTION of Mr. Speece seconded by Mr. Cusatis, the Board UNANIMOUSLY APPROVED awarding the 2021 animal control contract to Safety Net Sanctuary in the amount of \$4000 plus the donation of a vehicle.

Consider Approving 2019 Audited Financials

Ms. Savage explained that the 2019 financials have been completed and provided to the Township by Maillie. Requesting approval of the audited financials for 2019.

Mr. Staub commented that the two findings that were included in the report are already in the works with the administration to be addressed. Overall felt the audit was very good.

Ms. Kircher stated that she believes we need to take the time to remedy the suggestions made by Maillie.

Ms. Savage explained that there are not audit findings, the management recommendations was something provided to the Township. Staff have been working on the items.

Mr. Cusatis agreed, the audit was very good.

Ms. Savage explained that the audit took longer than previously because this was the first time that the capital assets were included. That required additional work.

MOTION of Mr. Galtere seconded by Mr. Cusatis, the Board APPROVED approving 2019 Audited Financials.

Ms. Kircher is opposed because she has not finished reviewing it.

Discussion on 2021 Preliminary Budget

Ms. Savage reviewed the 2021 budget summary document which highlights the changes being proposed in the 2021 budget.

Reviewed personnel changes, all current vacancies and no true new additions in administration, highway, and police.

Discussion on Fire Marshall, still determining if that will be a full-time person or a contracted position.

Mr. Galtere stated that he would like to see utilization of current staff be reviewed before bringing in new people. Reached out to Spring Township and Muhlenberg Township to compare staffing because they are similar sized municipalities. Neither Township has a full-time HR person. Would like to see further discussion to see if this is the best direction for us. Consider whether we have current talent available. Asked if we lost any staff due to the wastewater sale. **Ms. Savage** stated no, the staff member on her team has taken on additional duties in other areas. Explained that we need someone with more HR expertise to help manage the day to day.

Mr. Speece asked what the other Township's he spoke with do for HR. **Mr. Galtere** stated that Spring didn't specifically mention an HR person, but at Muhlenberg the Assistant Township Manager is also

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the Parks & Recreation person, but they do also have an HR/Code Enforcement position. Thinks it would be a good idea to evaluate whether or not there is an opportunity to promote someone from within here.

Mr. Cusatis would not have a problem with someone internal, but wants to make sure that it's handled. We have a complex workforce, so we need someone designated to HR but would be ok with that position being split. **Mr. Speece** clarified that we can determine the exact position later, but are including the position in the budget to make sure it's included.

Mr. Bartlett stated that an HR person is important, especially when you have a police force of the size that Exeter does. There are many other complex issues to be dealt with, and other day to day matters.

Ms. Savage explained that this has been a need since the prior HR manager leave. It has required her to pick up a significant amount of additional work.

Ms. Savage reviewed other new requests being included in the General Fund. Reviewed the Capital Fund new requests which includes costs for IT, police, Perkiomen Avenue project related revenue and expenses. Also included potential electronic marquee sign for the Township.

Reviewed the Equipment Fund. All items are replacement of prior items that will be sold and used to replenish this fund.

Reviewed Park Fund. Main expenses are park improvement projects.

Projected deficit of \$400,000 due to COVID-19 as well as increased residential recycling costs. Discussion on sewer account revenue, Mr. Staub asked about the balance transfer from the sewer fund. **Ms. Savage** explained that revenue is still coming in from the past-due sewer debt. It is General Fund revenue, it just still gets posted into the other fund. **Mr. Galtere** pointed out that at some point that revenue will no longer exist. **Ms. Savage** stated that the administration has been strategizing for that and has been implementing changes for future cost savings. Discussed other potential future revenues and cost savings.

Discussed RCC golf operations requests for capital and equipment items. None have been incorporated into the capital budget or equipment fund. Seeking direction from the Board on what should be included.

Mr. Speece suggested that the capital items be guided by a master plan. Would like to see a sum of money set aside for potential capital improvements to be prioritized by a master plan. Would like to see the same done in the equipment fund so that the Board can decide on an item-by-item basis on replacing as things break. The money doesn't have to be spent, but it at least would be available as needed based on how business is going and Board discussion. Suggesting \$70,000 in the Equipment Fund and \$50,000 in the Capital Fund. Again, reiterated would like to see the master plan completed. **Mr. Staub** agreed, suggested it be put into the preliminary budget for review. In his opinion the master plan is priority.

Ms. Savage stated that the budget has been prepared with no tax increase for 2021. **Mr. Staub** asked for clarification on the budget approval process. **Ms. Savage** stated that the preliminary budget must be advertised for 20-days before it can be adopted. **Mr. Bartlett** clarified that minor changes can be made during that time period but no more than 10% overall and 25% in any individual line item. **Ms. Savage** stated that the preliminary budget will need to be adopted on 11/23.

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Ms. Savage asked for confirmation that she should be putting \$50,000 in the Capital Fund for the RCC and \$70,000 in the Equipment Fund. **Mr. Speece** stated that it doesn't necessarily mean it will be spent. **Ms. Savage** confirmed.

Mr. Galtere asked about the Golf Fund, what happens to a surplus if they have one. **Ms. Savage** stated that it stays in the fund and becomes fund balance in the Golf Fund.

Ms. Savage discussed the Wastewater Proceeds Fund. The only anticipated revenue other than interest is escrow associated with the sale of the plant. This is related to the sludge dryer that was not functioning at the time of the sale. Escrow was set up for the repairs, once the repairs are completed PA American will make drawdowns from the escrow, remaining funds will be returned to the Township.

Reviewed future expenses for the Wastewater Proceeds Fund, includes OPEB trust, stormwater basin repairs, debt service expense, RCC Clubhouse Capital Injection, and interest transfer.

Discussed RCC Clubhouse Capital Injection. This was a recommendation made in the audit, there is a negative fund balance of \$2.4M in the RCC Clubhouse Fund that the General Fund has lent the fund. It should be repaid to the General Fund. This injection would cover the money owed to the General Fund and also include money for various anticipated expenses in order to ensure that the fund can maintain itself for the entirety of 2021 should a food and beverage operator not be in.

Mr. Galtere asked about the overall budget, are we anticipating using reserves to balance the budget due to COVID. **Ms. Savage** stated that she anticipates having to utilize about \$400K of General Fund reserves to cover a budget shortfall due to COVID-19. The 2021 budget has been planned assuming the same conditions apply, in order to avoid a deficit for 2021. **Mr. Galtere** asked how much we are saving in legal fees. **Ms. Savage** stated that in 2019 general legal counsel expenses were \$364K, budgeted for 2020 to spend \$375K, projecting actual expense for 2020 of \$270K. Projecting about \$120K legal fees for 2021.

Ms. Cusatis pointed out that a lot of big legal issues have been resolved.

Mr. Speece asked about COVID Federal or State reimbursement. **Mr. Bartlett** does not anticipate we will receive much. **Ms. Savage** stated that grants are being sought and we are tracking expenses related to COVID. We're hoping to be reimbursed for those direct expenses, though the county did not receive as much money as they were anticipating.

DEPARTMENT REPORTS

Joe Rogosky, Township Engineer, Great Valley Consultants: Pathfinder Meadows development has expressed interest in developing their second phase. This was previously approved by the Township. Township will be working with them on this.

Chief Morris; Police Department: Stated that the department had extra patrols out on Halloween and Election Day, both were well received by the community.

Clarence Hamm; Highway Department: Working on leaves, have 4-5 pickers going each day. Met with UGI today in reference to the Promenade. Stated that he learned today that there is a hole in the roof of the Reading Country Club, he will have numbers for repairs by the next meeting.

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Jeff Bartlett, Township Manager: Stated that KCBA has completed their feasibility study and programming needs assessment which will be presented at the next meeting.

Mr. Cusatis asked about public involvement. **Mr. Bartlett** stated that the public input phase will come later in the process of building future plans.

Elizabeth Magovern, Solicitor; Nothing to report.

Mr. Speece announced that on 10/21 and 11/5 Executive Sessions were held to discuss personnel matters.

PUBLIC COMMENT – General Comments

Public comments were submitted in advance of the meeting via email and voicemail. The e-mail comments were dictated by computer software.

Brandon Koch; made comments on the tower located on Township property. Has concerns with its condition and structural integrity. Concerned that it may pose a safety risk.

Mr. Hamm stated the one tower has been removed in the last several weeks. **Mr. Bartlett** stated that there is a second tower on the site which is used for the county communications. That will have to be taken down eventually.

Mr. Galtere asked for clarification on whether or not the tower that is still there is needed. **Mr. Hamm** replied that it is being used for the county communications as well as the Highway Department radios. Suggested looking into removing some of the tower, it probably doesn't need to be that tall. **Mr. Galtere** suggested getting testing done on it to determine its safety. **Mr. Hamm** agreed that they will get estimates and determine next steps.

SUPERVISOR REPORTS:

Mr. Cusatis: Asked if we have the numbers for recycling yet.

Ms. Savage explained that a slight increase to the fee will need to be discussed at a future meeting.

Ms. Kircher: Nothing to report.

Mr. Staub: Commended the Administration on the right to know response rates and the audit. Announced that Dr. David Bender recently passed away, extended thoughts and prayers to his family.

Mr. Galtere: Thanked Tina Stephens for her work on the right to know, thanked Ms. Savage for her work on the budget.

Mr. Speece: Thanked Ms. Savage for her work on the budget and the audit.

ADJOURNMENT

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MOTION of Mr. Cusatis, seconded by Ms. Kircher, the meeting adjourned at 9:28 PM.

Respectfully Submitted,

Laurie Getz
Township Secretary

DRAFT