

**EAST GOSHEN TOWNSHIP
BOARD OF SUPERVISORS WORKSHOP
TUESDAY, OCTOBER 30, 2007**

Present: Chairman Don McConathy, Vice Chairman Thom Clapper, Joseph McDonough, Carmen Battavio and Marty Shane were in attendance. Also present were Township Manager Rick Smith, and various residents.

A. Minutes – The minutes from the October 9, 2007 and October 16, 2007 meetings were reviewed. The Board will act on these minutes at a future meeting.

B. Treasures Report - Marty moved to graciously accept the receipts (General Fund \$203,576.75, Sewer Operating \$93,560.66 and Refuse \$44,220.38) and approve the expenditures (General Fund \$116,686.71, Sewer Operating \$13,261.38 and Refuse \$28,234.06). Joe seconded the motion. There was no further discussion or public comment. The motion passed unanimously.

C. Snow Plow – The old truck was sold with the snow plow. The new truck did not come with a plow. Joe moved to approve the purchase of a snow plow. Marty seconded the motion. There was no discussion or public comment. The motion passed unanimously.

D. Refuse – The Rick reported that McCusker & Ogborne (the refuse hauler that was awarded the contract for 2008 thru 2010) has offered to provide the Township residents with 96-gallon waste carts at no additional cost, Carmen's understanding was that nothing would change from the current refuse service. He feels that using waste carts changes the contract. Where will the cost go? Rick advised that McCusker & Ogborne would save labor costs by using waste carts. Joe proposed making a counter offer to the hauler that the Township would accept the waste carts if they extended the contract for 2 more years and froze the rates for years 4 and 5. Everyone agreed that a part of the East Goshen population may be physically unable to handle a waste cart. The Board requested Rick to ask the Township Solicitor if the Board could extend the contract. In addition he was asked to contact McCusker & Ogborne to see if they would provide a smaller waste cart for those residents who could not handle the 96-gallon waste cart and to see if they would provide a second waste cart to those residents who wanted one. Further discussion was deferred until the Board received the requested information.

E. Applebrook Golf – Don and Joe met with Hank Belber on Monday. His offer was:

1. Price freeze for 5 years.
2. Keep 2 golf days – June and September
3. Full lunch for those 2 days.
4. New item – Allow East Goshen residents 2 Mondays where they will be integrated among the regular players. He would allow 5 foursomes (20 people in total).
5. There would be no lunch for the Monday golf.
6. Scheduling would have to be made through Frank and the golf pro.

Marty was concerned about what time of the day, on the Mondays, the East Goshen players would be scheduled to tee off. Don asked what the increase would be in the 6th year. Rick suggested a \$5 increase every other year after the fifth year. Marty doesn't want to give up the 3rd Tuesday in September and asked of the Monday golfers would be able to use the Halfway House? The following items should be discussed with Hank:

1. Price frozen for 5 years. Then only increased \$5 every 2 years.
2. Monday tee times will be scheduled before 12:30 p.m.
3. Notification of tee times must be received by the preceding Wednesday.
4. Use of the Halfway House for Monday Golfers.

F. Rossmore Curb and Public Annex Roof Replacement – Marty moved to authorize execution of the agreements for the replacement of the curb in Rossmore and for the installation of a new roof on the Public Works Annex. Joe seconded the motion. There was no discussion or public comment. The motion passed unanimously.

G. CCATO Resolution – No action was taken.

H. 2008 Budget Review – Don noted that this is not a public document yet and the 2008 Budget will be available for public review after the Board meeting on November 13, 2007 with adoption scheduled for December 18, 2007. He also indicated that any public comment would be taken after the Board completed its discussion.

Police Budget - Salaries and benefits which are contractual are \$5 million of the \$5.7 million budget. Vehicles account for another \$300,000. Essentially, the Board of Supervisors has no input on \$5.3 of the \$5.7 million. Carmen commented that firearms' supplies are increasing 35%. Four items under benefits are still open. Workers Comp for 2007 will be \$407,000. This was lowered to \$340,000 for 2008 budget. Carmen explained the 3 year rate penalty for Workers Comp. Workers Comp pays 66 2/3 to the Police Commission. Then the Commission makes up the difference so the officer gets 100% of their pay. Don is concerned about the cost of gas in 2008.

2008 Budget Review – Budget – Joe said the all Township Funds spread sheet shows what will happen with all funds in 2007. Marty noted that at the end of 2007 the Township will have a total of \$9.6 million in the bank in the General Fund, Sewer Operating, Refuse, Liquid Fuel, Capital and Transportation Funds. The Municipal Authority will have \$1.9 million. In 2008, the projected total for all funds will be \$9.2 million. Joe said we are starting to spend Capital Reserve funds.

General Fund - The “Marty” sheet gives 2006 actual, 2007 budget and projected 2008. The “Net” is the difference between the expenses for the 5 core functions and the dedicated revenue for the 5 core functions. Overall projections are \$6.1 million in 2007 and \$6.5 million in 2008.

The Detail Core Summary sheet projects the budget through 2013. Rick pointed out that they need to add \$25,000 for the Deer Program in 2008. In addition the next version will reflect a 20% increase in the electric costs in years 2011 (when the rate caps come off) thru 2013. In response to a question about the EMS tax for 2008 Rick noted that self-employed have to pay it quarterly and that the exemption for workers making under \$12,000 is now mandatory.

State Fund – Money coming in from the state gas tax helps reduce the cost of Public Works Department.

Transportation Fund – Boot Road widening with respect to a possible joint project West Goshen is not shown. Funds have been put in Capital Reserves for King Road & Rt. 352. We still have an obligation to put a signal in at Line Road & Paoli Pike and we have funds in reserve for this.

Capital Reserve Fund - Some items that didn't get done in 2007 were moved to 2008. Carmen questioned \$500,000 for road projects and where it should be. It would be for Boot Road or King & Rt. 352. Carmen asked about \$70,000 in 2008 for Fuel Dispensing system. Rick said we need to replace the fuel system. Don pointed out that the big Vacuum Truck isn't moved over to 2008. Rick is still waiting for a cost to contract out for the inlet cleaning.

Carmen asked if funds have to be allotted for the Anne Drive Storm Sewer Project. Rick said they are waiting for engineer's report. He would put \$150,000 in the budget for 2008 and delete the Baldwin Drive Storm Sewer Project.

Rick reported he had got a call from the DEP and that a letter will be forthcoming. The Township needs to upgrade the dam in Hershey's Mill Estates because the spillway is too small. He opined that the costs to upgrade the dam will be significant. He suggested that the Board put \$25,000 in the budget for engineering in 2008. Marty stated that they need to put \$500,000 in 2009 for the dam. It can be adjusted later when the actual cost is determined.

Refuse Budget – This shows what it will be for 2008, 2009, and 2010 as is today under the new contract. There is assumption of an increase of the hauling costs in 2011 of 25%. Joe pointed out that over the next 3

years the reserves are increasing. Rick pointed out there may be an increase in the tipping fee at landfill because of funding for the hazardous waste cleanup program.

Sewer – Marty stated that Rick did a lot of work to make this discussable. The most beneficial way to borrow \$10 million is to use a 30-year term with a 5-year rollup. The projections assume an increase in electric rates of 20% in 2011 and a contribution of \$250,000 from the Municipal Authority in 2008 and 2009 is also assumed. Rick ran two projected scenarios out to 2017 to handle the increased debt service.

1. 50% in 2008, no increase until 2013, then 3% increases every year
2. 20% in 2008, then 15% in 2009, then 10% in 2010, 3% every year thereafter

Joe noted that the assumptions were to borrow \$10 million and increase rates 1/1/08. However, since the bids won't be in until June, he suggested waiting until the bids are in and enact a change in the rates then. Marty feels the sewer rates are already too low and should be around \$100 today. He suggested a 20% increase for 2008. He pointed out that the extra will be needed whether the bids come in at \$10 million or the Township needs the valuation we expect in order to sell the plant.

Carmen asked if Ridley Creek customers are covering the costs. Rick said he could find out. Marty prefers scenario #1 – 50% increase now. But Joe is concerned about the bids coming in higher than expected. He agrees there needs to be a rate increase but wants to wait until the bids are in.

Joe suggested another less painful way to handle this. Increase sewer fee \$40 and reduce the refuse increase by \$10. Thom agrees with waiting until the bids are in. Carmen feels there should be some increase now...cost of living 1/1/08 then one big increase. Marty mentioned that interest rates are very low now and a delay may cost more in the rate increase. Don thinks residents would rather have the #2 scenario. But he feels the sewer increase offset by a decrease in the refuse increase is better.

A poll was taken – Increase the rates on 1/1/2008 or later on 10/1/2008. Thom, Joe, Carmen and Don were for later. Marty was for now. Rick will put a 50% increase in for 10/1/2008.

Public Comment:

Howard Jones – He agrees with Marty. He feels there is no doubt that there will be a need for an increase. Even if it is sold there will have to be a rate increase, so do it now to show the Board is aware of the need.

Linda Gordon – Wait until all the facts are in.

Bob Phiel - Carmen spoke about maintenance and replacement, so a rate is inevitable.

I. Generator – The current vote is 2 for (Joe and Carmen) and 2 against (Don and Thom). Marty said that based on Rick's data, he saw no adverse impact if there is no backup generator. The township building does not function as an emergency location. He feels the Public Works building may need a backup. If a generator is put in the Township building, can power be wired to the Public Works Annex? Marty will wait to make his decision.

J. Subdivision/Land Developments/ZHB/Conditional Use Applications- Rick said there is a Conditional Use application for a hairdresser in Hershey's Mill Estates and some residents have called to express there opposition to it.

The workshop meeting was adjourned at 10:30 p.m. The next formal meeting will be Tuesday, November 13, 2007.

Respectfully submitted,

Ruth Kiefer, Recording Secretary