

**EAST GOSHEN TOWNSHIP
BOARD OF SUPERVISORS
POLICE SERVICES OPTIONS WORKSHOP MEETING
1580 PAOLI PIKE
August 14, 2012 – 7:00pm
Final Approved Minutes**

Present: Chairman Senya D. Isayeff, Vice-Chairman Thom Clapper and Supervisors Marty Shane, Carmen Battavio and Chuck Proctor. Also present were Township Manager Rick Smith, CFO Jon Altshul, Erich Meyer (Park & Rec), former Supervisor/Police Commissioner John Chatley, and reporter Michael Price from the *Daily Local*. Present from Westtown Township were Supervisors Charles Barber, Carol DeWolf and Tom Haws, Jr.

Call to Order & Pledge of Allegiance

Senya called the meeting to order at 7:00pm. Everyone said the Pledge of Allegiance.

Moment of Silence

Carmen Battavio called for a moment of silence to honor the troops

Recording of Meeting

Michael Price of the *Daily Local* and resident Leo Sinclair recorded the meeting.

Background from the Chairman

Senya stated that the purpose of this meeting was to provide an update on the Thornbury contract and to review and discuss the various police service options available to the Township.

Senya said that WEGO is comprised of two charter townships – East Goshen and Westtown, with Thornbury as a contract client. Thornbury’s contract with WEGO expires December 31, 2012. Thornbury has asked WEGO to extend their contract for one year. The two charter townships offered to cover Thornbury for another year at a cost of \$786,000 with the condition that Thornbury would have to indemnify the Police Commission for any increase in disability pension and post-employment medical costs in the event an officer is injured in Thornbury and would go out on a service-related disability pension. Senya explained that it would not be fair for the residents of the two charter townships to have to take on the long-term liability that would ensue if an officer injured in Thornbury retires on a service-related disability pension. The charter members decided it would be prudent to require the indemnification from Thornbury. While Thornbury is willing to pay the \$786,000, they rejected the indemnity provision requirement.

Senya said there have been informal discussions with the Police Association, whose members are also concerned about preserving the continuity of the current arrangement. Each Township has appointed liaisons to the Police Association.

East Goshen and Westtown have drafted a five-year plan for WEGO that includes Thornbury.

The Borough of West Chester is also meeting this evening to discuss the possibility of using its police force to cover Thornbury.

On August 10 the Police Association was provided a revised five-year contract proposal document. The charter townships hope the Association will respond favorably and in a timely manner that will make it possible for WEGO to meet Thornbury Township's September 4th deadline for a "ready-to-sign" contract extension proposal.

The safety of the residents is of utmost importance to the Supervisors.

Last Tuesday evening the Board agreed to hold special meetings on the 2nd and 4th Tuesday of each month to discuss options for police service in the event that WEGO cannot continue in its present form.

Senya said that East Goshen has the following options:

1. Continuity of the WEGO Regional Police Department with a new contract and Thornbury remaining as a client (this Option is the Township's preference and second only to an expanded Regional Operation).
2. Continuity of the WEGO Regional Police Department with a new contract and an expanded list of clients or charter members to include Thornbury, Pocopson and any other Township that would like to join with WEGO.

If neither of these two options are possible, the Township will have to consider:

3. Changing over to State Police coverage.
4. Becoming "like a Thornbury" to another Municipality (paying to receive police services from another community).
5. East Goshen going on its own and developing its own police department.

Senya said that regardless of the option the Township pursues, this Board of Supervisors is committed to the safety of its residents and businesses, to maintaining the desirability of East Goshen as a premier destination, and to preserving property values. He stated that all decisions made by the Board of Supervisors and Township Staff have to be "Environmentally Sound, Socially Equitable and Fiscally Responsible" so that the Township can preserve the past, serve the present and protect the future for all present and future residents.

Public Comment: Jeffery Ditz, Anne Drive – Asked about the Township's inability to sustain the status quo. Marty said police costs are increasing at a rate the Township cannot sustain. In addition to the risings costs, WEGO has an unfunded liability of \$10M for health care costs and pensions for the police officers. The rate of growth in costs associated with the police is not sustainable. The Township has to address the long-term impacts to the Township. WEGO is at the confluence of three contracts coming up for renewal at approximately the same time – the WEGO contract with the Police Association, WEGO's contract with Thornbury, and the agreement between East Goshen and Westtown. There is a short window of time to reach an

agreement with the Police Association. Marty then explained the requirements of Act 600, which WEGO is legally obligated to provide to the officers.

Marty then introduced the Township's recently hired CFO Jon Altshul, who has done much of the financial analysis on this issue for the Supervisors.

Marty said the two primary responsibilities of the Supervisors are 1) caring for the health, safety and welfare of the residents and 2) running the Township in a fiscally responsible manner. The Supervisors are responsible to the residents to provide appropriate police service at the lowest possible cost, and to provide a fair package of salary and benefits to the police officers. Unlike the Supervisors, the police do not have the responsibility of running the Township in a fiscally sound manner.

Public Comment: Richard Brodhead, Ulster Terrace – Thanked the Supervisors for having this forum for the residents. Asked to what extent has there been discussion of raising taxes to address the situation. Marty stated that one reason the Township cannot bear the current rate of growth in the cost of police service is the fact that the Township is built out, which means that revenues are flat. He noted, however that transfer tax income has been greater than expected recently due to the sale of a couple of large properties within the Township. In addition to this windfall the Township has eliminated \$500K from the budget under the leadership of Township Manager Rick Smith. Marty stated that things have not yet reached the point where a tax increase is necessary. There has only been one increase since 1978 because the Township has done a very good job of managing costs. Marty said that because labor costs comprise 80% of the police budget, that is the area on which to focus.

Public Comment: Andy Wahn, Cornwallis Drive – Asked that if East Goshen “becomes like a Thornbury” to someone else, would East Goshen be willing to bear the burden of an indemnification clause like the one currently being requested of Thornbury. Senya said the request for indemnification has been made to Thornbury because it's not fair to burden East Goshen and Westtown residents with long-term liability expenses that could result from a one-year contract. He used rental car insurance as an illustration of his point. Senya stated that East Goshen would have a moral and contractual obligation to assume responsibility for an injured officer's future. He noted that the police services being discussed for the next five years represent a \$40-\$50M decision and must be viewed from the perspective of the big picture.

Mr. Wahn asked how could it be cost effective to start a new police force from scratch. Senya said that will have to be worked out with the input from residents such as Mr. Wahn. The Board may opt to create a “think tank” of knowledgeable residents, experts and consultants for such a purpose. Mr. Wahn said it seems to him it would be more cost effective to keep the current structure in place. He asked what other municipalities pay for their police coverage. Senya said it depends on the municipality. Senya stated that East Goshen wants the best police coverage at the lowest possible cost.

Public Comment: Mark Wahn, Cornwallis Drive – Asked why WEGO is so concerned about Thornbury. If they don't agree to the indemnification, why not just drop them and move on. Senya said one reason is that the \$786,000 fee from Thornbury for police coverage would

represent 10% of the operating budget. He said ideally, WEGO would like to increase in size (cover more areas) and not decrease. Mr. Wahn said WEGO should drop Thornbury, do what needs to be done to adjust the size of the force, and move on. He said he does not want to lose the experienced, trained officers of WEGO. He definitely does not want the Township to go with the State Police, as that would be stepping back 30 years. He stated that what WEGO is getting from Thornbury is equal to what WEGO is providing to them. If the Township goes with the State Police while other surrounding municipalities have private coverage, it would be like “putting a bulls-eye” on East Goshen and inviting crime.

Public Comment: Michael Horan, Beaumont Circle – Asked how the Police Association contract compares with those of other nearby townships. Senya said Jon Altshul would be distributing a handout containing relevant information at the end of the meeting. Senya stated that the WEGO force has a relatively high rate of disability compared to nearby communities. Marty noted that the term “disabled” is very broadly defined in the Police Association contract. When someone is only partially disabled they may not be able to serve as a police officer but they can often perform the functions of another job. Mr. Horan expressed concern there would be more crime in East Goshen if we lose WEGO. He does not want the “diluted” service of an overburdened State Police force. Senya said the Supervisors have a sworn duty to ensure public safety.

Public Comment: Steve Maschura, Upton Circle – Said he has lived here for seven years and the Supervisors have done a great job and the police service is great too. On what points have the Township and the police agreed and on what points do they disagree. Senya said negotiations are in process, despite what the Police Associate President was quoted three times in the newspaper as saying. Mr. Maschura asked for some details but Senya stated that due to the legalities of the situation, the Board could not go into specifics at this time.

Public Comment: Joe Virgilio, Hershey Mill Road – Thanked the Board for having this meeting. Stated that he is a police officer in a nearby community and he actually moved to East Goshen because of the great police force provided by WEGO. He is not in favor of changing over to the State Police as they are already spread too thinly. Senya noted that the Board is obligated to the residents to consider all options, including the State Police. Mr. Virgilio asked if East Goshen starts from scratch, won't the same situation of rapidly rising costs come up. Marty said yes, but by starting over from scratch it would be awhile before the Township would reach the same point as they are now with WEGO. Marty noted that whatever option East Goshen goes with, the level of service will be the same or even better as currently exists. He then stated that the legacy costs will exist no matter what option the Township selects – the legacy costs will not go away. Mr. Virgilio expressed concern that good officers from WEGO will leave to go elsewhere, just like the officers from Birmingham Township do.

Senya stated that although the federal government and the State of Pennsylvania continue to kick the can of financial responsibility down the road, the Board of East Goshen is committed to maintaining fiscal responsibility.

Mr. Virgilio stated that he is willing to pay more in taxes to keep the current police force. If East Goshen has only raised taxes once in 30 years perhaps it's time to raise them again to keep up with the needs of the Township.

Public Comment: Richard Brodhead, Ulster Terrace – Asked the Board to speak about the possibility of having a larger regional police force. This seems like an idea to consider because the cost would be spread out over a larger revenue base. Senya said it's an idea that deserves discussion and consideration. Mr. Brodhead wanted to know where the discussions with the Police Association stood at this point, and if there have been areas of concession on either side. Senya said at this time the Police Association has in their possession a document from WEGO. WEGO is awaiting their response. Mr. Brodhead asked about the document.. Senya said the document includes the contract requirements by law as well as enhancements that are not necessarily current and relevant today. Mr. Brodhead then stated that he is willing to pay more taxes to keep the current police force.

Public Comment: Jeffery Ditz, Anne Drive – Had a question about whether State aid covers the minimum legacy obligation. Marty stated that WEGO's obligation is \$700K more than is provided by State aid. Mr. Ditz wanted to know if WEGO is dissolved or the Township goes with the State Police, would the State aid continue. Rick Smith said WEGO is only eligible for State aid as long as there are full-time officers on the force.

Mr. Ditz asked what has been done to help control medical costs for the officers. Rick noted that per the contract, coverage must be provided by Blue Cross/Blue Shield. This was quite common when the original contract was written but the medical insurance landscape has changed a great deal since then. Senya stated that some of the insurance features the police get through the contract are out of date and no longer available on the open market.

Mr. Ditz then asked who will determine the "level of service." Senya said the residents will provide input on that issue, but ultimately it's the elected officials – the Board – who makes the determination on behalf of the residents who elected them. Senya then paraphrased Herbert Bayard Swope who said that whereas he "couldn't tell you the secret for success, he could for failure; trying to please everybody all the time" and said that he would guarantee no matter what happens, the Board will not be able to please everyone.

Public Comment: Mike Ragni, Larch Lane – Said the police are not asking for too much. They only want to get what other police make. He stated that they (referring to the Supervisors) have turned their backs on us (the officers). He said he understands their reasons but he's built his entire life around the contract and they want to take it away. He asked if the Supervisors will give residents an opportunity to provide input via a survey. Rick said the Township could take a survey; they could put the issue on a ballot; or they could hold advertised public meetings like the one this evening to gauge public sentiment. Mr. Ragni stated that this Board of Supervisors told the Police Association to "take it or leave it." Senya said that is not true and that Mr. Ragni has nothing to substantiate such a statement. Mr. Ragni said the truth is the Police Association and WEGO are at a stalemate.

Public Comment: Hal Zuber, Wyllpen Drive – Asked if we are self-insured on disability. Rick said yes, because nobody offers such a policy. Senya said the Township is currently working with underwriters to see if a special insurance product can be developed for not only East Goshen but all municipalities across the country who are faced with the same challenge of having to pay for the ever-increasing post-employment health care and disability pension costs. Mr. Zuber asked how things got to the point of having \$10M in unfunded liability. Marty said the poor performance of the underlying investments is the bulk of the problem. Senya added that unforeseen actuarial events contributed to the situation. Marty said that more will be known at the end of the year when another actuarial study is done.

Public Comment: Joe Buonnano, Herron Lane – Asked if the issues are all the result of binding arbitration. Senya said some issues are from arbitrations but most are from negotiations.

Public Comment: Debra Arvanites, Cherry Lane – Thanked the Board for having this meeting. Asked for information about the purpose of the handout to be distributed at the end of the meeting, and the process and timeline for making a decision on this issue. Senya stated that the handout contains a comparison of current state and federal requirements and existing WEGO contract requirements. He stated that this meeting was the start of the process to explore the various options. The next meeting for the residents is scheduled for August 20. Thornbury has provided WEGO a September 4th deadline for a ready-to-sign contract extension. West Chester is meeting this evening to discuss whether they are open to considering a police relationship with Thornbury. Regardless of the timeline, the Supervisors have an obligation to explore other options in case WEGO is dissolved.

Public Comment: Jeffery Ditz, Anne Drive – Asked when the Board would have cost estimates for each of the five options. Senya said he didn't know yet, as the process has only just begun.

Public Comment: Art Polishuk, Grand Oak Lane – Thanked the Supervisors for having this meeting. Asked if they could share some of the major points of Thornbury's counter-offer. Senya said the counter-offer consisted of paying \$786,000 for one year of police service but no indemnification.

Public Comment: John Chatley, Glenbrook Lane – Said it's hard to compare WEGO financials to those of other police forces. It's not like comparing apples to apples. Other municipalities build their police costs into the municipal budget, whereas with WEGO there is a separate, distinct police budget.

Public Comment: David Richter, Edith Lane – Said he was an FBI agent for 24 years and worked with police in Chester and Delaware Counties, and the WEGO officers were always professional and very capable. He said he does not believe changing over to the State Police is the answer to the problem.

Adjournment

There was no further public comment or discussion from the Board. The meeting was adjourned at 9:00pm. Jon Altshul distributed copies of a document titled "Comparison of Current State and Federal Requirements and Existing WEGO Contract Requirements." This document will be posted to the Township website.

Anne Meddings
Recording Secretary