

**EAST GOSHEN TOWNSHIP
BOARD OF SUPERVISORS MEETING
1580 PAOLI PIKE
October 14th, 2014—7:00 pm
Final Approved Minutes**

Present: Chairman Marty Shane, Vice-Chairman Senya D. Isayeff, and Supervisors Carmen Battavio, Chuck Proctor, and Janet Emanuel, and Township Manager, Rick Smith, CFO Jon Altshul, and ABC member Erich Meyer (Conservancy Board).

Call to Order & Pledge of Allegiance

Marty called the meeting to order at 7:00pm and asked *John Fulginiti, President of the Goshen Fire Company*, to lead the Pledge of Allegiance.

Moment of Silence

Carmen called for a moment of silence to honor the troops and all those in uniform, especially those who have given the ultimate sacrifice, their life.

Recording of Meeting

No one indicated they would be recording the meeting.

Chairman's Report

Marty informed all those present that the Board would be hearing a presentation about the 2015 proposed budget.

Goshen Fire Company Financial Projections

John Fulginiti, President of the Goshen Fire Company, presented a 5-year budget for the Fire Company and explained that the Fire Company had made certain assumptions when creating its financial projections. He assumed there would be no additional paid personnel, that the company remains at 8 full-time paid staff, and that the volunteer base remains strong. Marty asked how the current volunteer force is doing. Mr. Fulginiti responded that the number of volunteers was holding steady, but that it's a difficult process to become a volunteer, involving hundreds of hours of training.

Mr. Fulginiti added that the financial projection does not include an administrator or any need for increasing the existing fleet. However, the Fire Company does need more physical space for a bunkroom. To that end, a committee had been formed to consider ways of building out Station 54.

Senya discussed some ideas for the Fire House. He said that if Station 54 was more visible, it might help attract volunteers, and help with fundraising. He suggested trading land with one of the businesses along Rt. 3 as an example of "outside the box" thinking in sustaining a strong Fire Company.

Tom Stalnak, Treasurer of the Goshen Fire Company, provided greater detail about the 2015 budget and the long-term projections. In particular, he noted that the Fire Company would need to replace two expensive aerial apparatuses in 2015, but that there was sufficient money in the Fire Company's Capital Replacement Fund to make those purchases. He also explained that the Fire Company carefully contributes to its capital replacement funds each year to ensure that there are funds available when assets need to be replaced.

Marty asked about the auxiliary. Mr. Stalnak said that the auxiliary is a relatively small and separate operation. They run breakfasts and cater dinners, and use their proceeds buy things for the Fire Company, such as clothing.

Mr. Stalnak noted that reimbursements for ambulance calls have shown a modest but steady decline, while the number of ambulance calls has been increasing. He explained that this trend was due to a greater and greater percentage of the ambulance calls coming from Medicare-eligible seniors. He noted that while Medicare is easy to work with from an administrative standpoint, Medicare reimbursements are less than private health insurance.

Marty asked how many ambulance transports the Fire Company makes. Mr. Stalnak responded that out of approximately 3,400 annual calls for ambulance service, 2,300-2,400 end up being actual transports. Marty asked whether, of all the townships, we pay our fair share and whether the use of service is in proportion to the funding. Mr. Stalnak answered that it mostly is. Marty added that all of the Townships should pay their fair share.

Carmen noted that several years ago the Fire Company was able to raise a considerable money for the first ladder ladder truck by giving presentations to some of the communities most served by the Fire Company, such as Bellingham, Wellington and Hershey's Mill. He suggested that the Fire Company might consider doing some on-road presentations again.

Mr. Stalnak noted that the Fire Company does solicit every business in the district asking for donations and that nursing homes do support the Company financially. He also stated that the Fire Company would be willing to consider doing an on-road presentation again. Marty asked if the Fire Company would write an article about the Fire Company's finances for the Township newsletter.

Senya asked about the number of calls the Fire Company makes to lift people back into bed. *Robert Fleming*, Board Member, Goshen Fire Company, said that the number of lift services they provide depends upon the time of day. The nursing homes down-staff at night and some are not allowed to lift patients, so lift services are more in demand at that time. Senya asked why the nursing homes can't lift their patients into bed, why must an ambulance be called to perform this task. He said East Goshen residents should not have to subsidize a for-profit entity that won't lift its own patients. Chuck said that the nursing homes are under-staffed at night, and they avoid lawsuits by using ambulance service to

lift patients. Rick asked if the Fire Company could bill Medicare if it is not a transport, and Mr. Stalnaker answered that lift service is not a billable charge for Medicare. Janet suggested the possibility of collecting a fee for these services. Mr. Stalnaker noted that the Fire Company did institute such a charge a few years ago, although the collection rates are low. Mr. Stalnaker also noted that the marginal cost of an individual run is not that high—there's only gas, vehicle wear and tear, and the cost of any paid staff on the call. However, each ambulance call also needs to pay for a share of the substantial fixed costs that the Fire Company has, including vehicle replacement, building maintenance and personnel costs.

Marty asked if the Fire Company would meet its budget targets for the current year. Mr. Stalnaker responded that he expected the Fire Company to be fine this year. Marty asked if the reserve funds were in good shape. Mr. Stalnaker responded that yes, they were, and there are several reserve accounts. Marty asked if in the next five years the Fire Company sees any big risks. Mr. Stalnaker responded that the biggest risk is losing volunteer staff.

Mr. Fleming expressed that the Fire Company is most interested in providing services. The Fire Company has applied for grants and continues to update their apparatus with grant money. The Company's main goals right now are to re-model Station 54, maintain apparatus and replace an extension ladder. Mr. Fleming is happy to meet to brainstorm fundraising opportunities, particularly for the planned addition to the station.

Marty thanked the Fire Company representatives for their time.

Presentation of Proposed 2015 Budget, by Jon Altshul, CFO

Jon Altshul gave a PowerPoint presentation of the Township's 2015 Proposed Budget.

Marty noted that most of the proposed deficit was attributable to the cost of new capital projects, including the proposed repair of the East Boot Road Bridge, rather than being a true operating deficit.

Senya noted that the budget anticipated an 11% increase in health insurance premiums and asked if this increase would be for the same plans that are currently offered, or for a lesser plan. Jon affirmed that it would be for the same plans, but that our insurance broker would also share the costs of other insurance plans next week and that Jon would send that information along to the Board.

Carmen asked about our the 3% increase for workers compensation and asked whether we receive a dividend at year-end for any surplus payments. Jon responded that indeed we are eligible for a workers comp dividend. He also noted that unlike other some insurance cost estimates, that 3% increase was confirmed.

Chuck asked if the property and liability insurance increases were certain. Jon replied that it was the best guess of the broker. Chuck asked whether that increase was due to national trends or losses specific to East Goshen. Jon replied that it was a combination of both, but that the building flood at the beginning of the year wiped out any chance that we'd see a

dividend payment in 2015 from our property and casualty policy. Chuck noted that the trend in the insurance industry is that if you have too many claims, even if they are not your fault, your rates will go up or you will be dropped from the policy.

Marty asked about the whether the budget could be advertised tonight so that it could be adopted at the first meeting in December. Jon explained the two key legal requirements: 1) that the budget be available for public inspection for 20 days prior to adoption and 2) that the advertised budget not change by more than 25% in the aggregate or 10% in any major category prior to adoption. Marty indicated that while some numbers might change slightly between now and December, changes of those amounts were highly unlikely.

Jon noted that after preparing the materials for the budget presentation, he received a copy of the WEGO budget 2.3, which reflected East Goshen's PPU's at 57.15%, an increase from 56.91% in version 2.2. However, this was offset by the elimination of the Live Scan machine, a part-time administrator to assist with accreditation and truck scales. Collectively, this new budget resulted in a \$7,000 decrease in Township costs. However, Carmen noted that the Police Finance Committee was still deliberating some of those items, particularly Live Scan, and that Jon should expect additional WEGO budget proposals soon.

Jon noted that the budget proposed \$17,000 for a new document management system to replace the existing system. He noted that replacing the system would likely pay for itself within 6 years due to lower annual service contracts. Janet asked about the procedure for converting from one system to the other, and Jon replied that the new document management system can extract data from the existing system.

There was some discussion concerning the repair of the back three tennis courts at East Goshen Park, which were damaged during last winter's severe storms. The budget proposes repairing them from the general fund. Jon noted that alternatively, because the replacement of the courts is fully depreciated in the sinking fund, we could resurface the courts in instead of simply repairing them, which would take pressure off the general fund. Marty noted that if they are badly damaged, we should replace the courts rather than repair them. Senya asked if the courts are utilized to the extent that we should keep them, particularly if the front courts are still in good condition. He suggested further research on the issue. Marty recommended that Jon budget for the resurfacing of the courts as a capital expense, but that the Board re-examine the issue in the Spring to determine whether there is really a demand for this work or whether some other use for the back three courts is warranted.

Janet noted that the Conservancy Board may be interested in doing one of its two proposed tree plantings around the amphitheater, which would address Public Work's request for trees at that location.

Jon asked the Board for guidance on whether the Township should increase the funding level of the Operating Reserve Fund from 5% of estimated general fund revenues to 25%, as state law now allows. Marty and Senya were in agreement that doing so would show

that the Township was appropriately planning for a “rainy day”. Carmen asked if the Operating Reserve could be used to address shortfalls in other funds or if it was intended only for the General Fund. Jon responded that the Operating Reserve is only intended to offset shortfalls in the General Fund.

Marty made a motion to direct the Treasurer to transfer an amount up to the statutory maximum from the general fund to the operating reserve fund at the end of 2014. Carmen seconded the motion. The Board voted to approve the motion unanimously.

There was discussion concerning the summary of new spending proposals in the 2015 Proposed Budget. Carmen asked about the front desk security. He asked that if we were putting in a camera and a panic button, then why not put in a plexi-glass window as well. Jon noted that the proposal attempted to balance costs and safety concerns.

Marty asked Jon to review the compensation proposal for 2015. Jon explained that he developed the proposed salaries consistent with the Township’s existing compensation policy. Jon asked the Board whether it would consider one-time bonuses for the handful of employees not eligible for a raise under the policy. Senya and Carmen reminded Jon that the Board delegated that authority to Department Heads last year and that it was the Department Heads’ responsibility to manage their employees appropriately, not the Board’s.

Marty made a motion to advertise the Proposed 2015 Budget. Carmen seconded the motion. The Board voted to approve the motion unanimously.

Authorize Chairman to Execute Stormwater Agreement for 1556 Mill Race Lane

Chuck made a motion to authorize the Chairman to execute the Stormwater Agreement for 1556 Mill Race Lane. Senya seconded the motion. There was no further discussion and the Board voted to approve the motion unanimously.

Authorize Chairman to Execute Stormwater Agreement for 100 Line Road

Carmen made a motion to authorize the Chairman to execute the Stormwater Agreement for 100 Line Road. Janet seconded the motion. There was no further discussion and the Board voted to approve the motion unanimously.

Consider Wineberry Lane Storm Sewer

Wineberry Lane is a short cul-de-sac street. The stormwater management system for the street is a California Inlet. The Inlet on Wineberry Lane needs to be re-done again. Rick proposed that it is cost-effective to install perforated pipe to the culvert going under Cornwallis Dr. as a permanent solution, rather than re-doing the California Inlet every 8-10 years. He presented a table of the long-term costs of each, showing that in the long run, running the perforated pipe is, in fact, cost-effective.

Marty made a motion to put the perforated pipe in. Senya seconded the motion. The Board voted to approve the motion unanimously.

Any Other Matter

Marty updated the Board on Vista 2025 – Chester County’s Economic Development Strategy.

Senya made a motion to send a letter to Dan Truitt asking him to oppose HB 1565 which would reduce protection for riparian buffers along streams. Janet seconded the motion. The Board voted to approve the motion unanimously.

Marty acknowledged a letter for Main Line Health outlining the steps they are taking to deal with Ebola.

Adjournment

There being no further business, the Board adjourned at 10:25pm.

Pam Pastorino
Recording Secretary