

**EAST GOSHEN TOWNSHIP
BOARD OF SUPERVISORS
1580 PAOLI PIKE
TUESDAY, February 7, 2023
FINAL MINUTES**

Note: This meeting was held in person at the East Goshen Township Board Room.

Present: Chairman John Hertzog; Vice Chairman Mike Lynch; Members: Cody Bright (via Zoom), David Shuey, Michele Truitt; Township Manager Derek Davis; Finance Director Dave Ware; Senior Staff Accountant Chris Boylan; Attorney Bill Christman, Lamb McErlane; Erich Meyer (Conservancy).

Call to Order & Pledge of Allegiance:

John called the meeting to order at 7:00pm and led the Pledge of Allegiance.

Michele called for a moment of silence for first responders, WEGO, and the Eagles.

John announced that the meeting is being livestreamed on YouTube.

Chairman's Report:

John announced that the Township offices will be closed on Monday, February 20, 2023 in recognition of Presidents Day.

The Board met in executive session to discuss a legal matter.

Public Hearing: None

Emergency Services Reports: None

Financial Report: None

Approval of Minutes:

Michele made a motion to approve the minutes of January 3, 17, and 31, 2023 as corrected.

David seconded.

Motion carried 5-0.

Other:

Mike Lynch read the following prepared statement in response to a social media post:

**On the Matter Addressing Suggestions (Accusations) of Township Financial
Improprieties including Hoarding (and Theft) of Taxpayer Dollars**

I'd like to share with fellow East Goshen residents this evening a few words followed by some relevant facts to inform and educate regarding the condition and conduct of 'The Township' with regard to its financial management and operation of this local government.

While such information and communication should be and in fact is a routine practice by and from the elected local officials and the professional staff of this municipality, the communication to you this evening is in particular response to a recent social media post that I learned of last week that without reading it verbatim (unless pressed to do so) is inaccurate, inflammatory and to a degree defamatory as to the efforts, commitment (and conduct) of fellow residents elected to serve all of the residents of this municipality. In this regard, from my perspective these type of outlier, disappointing and incendiary remarks need retort.

Background:

This past week the PA Auditor General announced an investigation of selected PA school districts suggesting and assessing that they have inappropriately used a loophole in The PA School Code and Taxpayer Relief Act (Act 1) that provides authorization and manner as to how districts can raise school taxes and the limits for any such tax increases. The PA AG indicates that among the (12) school districts examined there may be a pattern (that while apparently legal) that suggests these school districts have exploited the loophole to hoard taxpayer funds and impose unnecessary property tax increases upon unsuspecting and uninformed resident taxpayers.

WCASD is one of the named school districts in the PA AG report. At the present time, it is my understanding that the WCASD emphatically disagrees and refutes the AG assessment, of our school district, and will respond and defend and demonstrate its financial management practices and conduct.

The Statement here is in reference and retort to the social media post that there absolutely is no correlation with the PA AG report to local municipal government and certainly not to East Goshen Township inclusive of its elected officials and staff. EGT does not hoard funds.

The fund balances of every EGT fund are reported every month and referred to frequently during the entire annual budget process and are assessed with detailed documentation publically presented, discussed and readily available on the Township web site and at the Township Building.

EGT provides transparent information, data and explanation of these funds (and fund balances) and in direct regard to current operations and obligations, capital projects and commitments for planned projects.

A quote from the referenced social media post reads, "State law only allows municipalities (Second Class Townships) to keep a certain percentage of the annual budget in one specific reserve account."

The actual citation from the Second Class Township Code (which provides most of the authorizations to township to operate the local government) in part reads in Section 1508.1 Operating Reserve Fund. "The BOS **shall** have the power to create and maintain a separate operating reserve fund to minimize future revenue shortfalls, and deficits, provide greater continuity and predictability in the funding of vital government services, minimize the need to increase taxes to balance the

budget in times of financial stress and provide the capacity to undertake long-range financial planning and develop fiscal resources to meet long term needs.” I can read the entire section if requested. The section provides parameters to the use / purpose of these funds. It also states that no additional appropriation **shall** be made to the Operating Reserve Fund to cause it to exceed 25% of the estimated revenues of the township General Fund for the current fiscal year.

2023 EGT budget revenues \$12,278,669. The EGT Operating Reserve Fund balance 12-31-22 \$1,553,059 = 12.65% (half of the authorized limit). No additional appropriation to the ORF is contained in the 2023 General Fund Budget. In fact, no appropriation to the ORF has been made for at least as long as I have been on the BOS (6+ years). And, in 2021, the BOS unanimously authorized expenditure from the ORD to create a new fund – Infrastructure Sustainability Fund – in the amount of \$1,250,049 and while the current balance in this IS Fund is \$1,789,459 (12-31-22), \$500,000 is budgeted in 2023 to address current infrastructure needs and commitments. At that time the BOS explicitly created this fund to address much of the referenced intent of this section of the Second Class Township Code.

Further, the Second Class Township Code does not impose limitations on creation of other funds for the operation and financial management of townships. Local governments universally (including 1,456 Townships of the Second Class in PA) use multi-fund budget and financial management to operate the local government including the proper sequestration of designated use funds (including enterprise funds such as sewer and refuse/recycling).

With regard to the General Fund and current Fund Balance (\$5,793,942 12-31-22), accepted accounting and financial management (reference Dave Ware and Independent Auditors), a municipality properly should have from 3-6 months minimum in the General Fund unappropriated balance to ensure financial stability and continuity. EGT practically on average expends \$1M monthly so the current GF Balance provides for an approximate 6-month period.

Each of the EGT funds (currently 11) has specific purposes and again is reported monthly. During the 2023 Budget process and presentation, substantial efforts were made and continue monthly to present transparently and factually the financial reports and condition of the Township – the 10 year forecast, the operating expenditure challenges, the project commitments and indication that currently some project commitments will be challenged to be completed with current available funds and revenue.

The 10-year General Fund Projection (uses IMO reasonable assumptions for both R & E forecasts) clearly illustrates the substantial funding deficit pressures facing EGT (and most other municipal governments).

The 40% tax increase (first and only in nearly 20 years since its initial imposition in 2003) is a sensationalized figure in this case and would not have occurred if prior incremental tax increases were made to reflect COLA and CPI indexes.

Look at the actual additional dollar amount – it is real but it is not sensational. To illustrate, WCASD 2022-23 Budget provides and imposes a 1.7% tax increase, a percentage that might be dismissed at first glance, but the actual dollar cost for a property assessed valuation of \$250k translates to an annual increase in excess of \$90...

The bottom line is -- EGT is conducting and managing its financial operation and budget legally, responsibly, transparently, respecting both the present and the future, in full compliance with GASB and State laws including the Second Class Township Code, the Independent Auditors concur, and the PA AG and this Supervisor concurs.

To suggest the Township is hoarding taxpayer dollars is inaccurate and inflammatory and suggestions of improprieties by some of the elected officials downright wrong.

(While no one likes any increase costs to our households' budgets and expenses, and of course inclusive of taxes, it is my hope for EGT residents to have confidence in how Staff, the BOS, and auditors both manage EGT finances in the short and long term as well as verify legal compliance at all levels.)

Approval of Treasurer's Report:

Dave Ware presented the February 2, 2023 Treasurer's Report.

Cody asked Dave when we are receiving FEMA money. Dave responded we are hoping in the next couple of months.

Mike asked about the tax expense paid on the cell phone tower parcel. Attorney Christman stated we would look into this.

Michele asked about the SPCA expense. Dave responded.

Michele made a motion to accept the receipts and approve the expenditures as presented in the Expenditure Register and as summarized in the February 2, 2023 Treasurer's Report.

David seconded.

The motion passed 5-0.

Old Business - None

New Business:

Consider appointment of Carmen Battavio to the Municipal Authority for a term to conclude at the end of 2024.

Derek explained that a vacancy exists due to Phil Mayer moving out of the Township. Carmen was the only resident who expressed interest in filling this position.

Mike made a motion to appoint Carmen Battavio to the East Goshen Township Municipal Authority, filling the remaining term of Phil Mayer, to expire at the end of 2024.

Michele seconded.

The motion passed 5-0.

Consider appointments of Fire Marshall and Deputy Fire Marshall.

Derek stated after internal discussions transpired, it was determined that Duane's availability in the office and his background as an experienced firefighter, it would be more beneficial to have Duane as the Fire Marshall and Carmen as Deputy Fire Marshall.

Michele made a motion to appoint Duane Brady, current Deputy Fire Marshall to the position of East Goshen Township Fire Marshall as well as appoint Carmen Battavio, current Fire Marshall, to the position of East Goshen Township Deputy Fire Marshall.

Mike seconded.

Michele stated Carmen wished he could be here tonight but he is not feeling well.

The motion passed 5-0.

Authorize Chester County PPP Grant Application for the Milltown Dam Park project in the amount of \$250,000.

Derek stated that Jason Lang, Parks & Rec Director, identified this grant to potentially help fund the upcoming Milltown Dam Park renovations. Derek outlined the improvements that this potential funding would cover.

David asked about the matching requirement. Dave responded the total cost estimate is \$3.906M and includes \$1.5M site improvements. The matching amount would be covered within those expenses.

Michele made a motion authorizing a Chester County PPP Grant application in the amount of \$250,000.

Cody seconded.

Michele asked if there is an expiration date for using the grant funds. Derek responded. Attorney Christman pointed out the grant form has a date of 2026.

John said this project started because we were ordered to breach the dam. John takes issue with the improvements and stated the project as is expressed goes far beyond breaching the dam. He is in favor of breaching the dam but not in favor of going for this grant or any other grant. John added that it is this kind of project left from past Boards, like Bonds, he believes are the reasons taxes are being raised.

John motioned to table this item.

Cody commented that he understands these are difficult decisions. These amenities are important to the residents in that area and they were promised years ago. Cody feels it would be a nice area for gatherings and meetings in that part of the Township.

David pointed out the 110-page master plan for the Milltown Dam and he encourages everyone to look at this. He agrees with Cody that the southern part of the Township is underserved. David is supportive.

Michele commented that she is in favor to make things better. The Milltown Dam has been a mess since breaching the dam. Michele suggested that we need to look at this in parcels, and perhaps next year, construct a portion of this park, and maybe roll out improvements over 3-4 years.

Mike commented he is supportive of this project, phasing in these master plan improvements over time. Mike feels projects like this enhance the Township and offer a location that residents in that part of the Township can enjoy. Mike feels it is important to go forward with the grant and get the key elements finished initially.

Dave added we have \$915K already awarded for Milltown Dam Park. We don't know yet how the master plan dovetails with the grants.

Derek feels we would lose all the grant funds for this project. Derek stated the bid documents would delineate what needs to happen in order to satisfy the requirements per the permit and the master plan portion.

Cody stated that naturally the extra amenities would be phased in. Derek feels the bid documents and grants would need to be reviewed again if the phase in period extended longer term.

Mike feels we need a clear understanding of the grants awarded and how it aligns with the master plan, along with if we have latitude with a phased schedule.

Derek stated Gannet's opinion was they thought the master plan was interwoven into the application documents and this would need to be reviewed again because there was not much delimitation in the application.

John commented the master plan is at least six years old and at least three Board members were not on the Board. The Board then did not consider funding items in the master plan. John stated all we are required to do is breach the dam and let it flow.

David commented that some of the improvements are essential.

Mr. Bill Geyer, 1560 Tanglewood, sent an email to Dave and Derek and asked what items in the PPP grant are we obligated to do. It seems like we are obligated to restore the flow. Mr. Geyer added that if this grant is accepted, the park would be open to the general public and he feels will cause the Township additional expense to maintain. Mr. Geyer urged the Board to start with the minimum now. Mr. Geyer asked if the Parks could be eliminated if budget constraints happen. Attorney Christman responded. Mike Lynch responded as well. John added additional comments.

Mr. McGill, 1050 Hershey Mill, gave his opinion agreeing with John. Mr. McGill recommends reviewing expenses and obligations for grants when trying to be fiscally responsible.

Motion passed 3-2, with John and Michele opposed.

Consider date and time change for the Planning Commission meetings going forward.

Derek stated our Engineer has a conflict with the current Planning Commission meeting date set for first Wednesday of the month. At the request of the Township Engineer, the Planning Commission, at their February 1, 2023 meeting, agreed to the fourth Tuesday of each month. Derek's opinion is the Planning Commission current meeting date, the day after a Board meeting, is not great. They conduct business and then it is delayed until presenting at the next Board meeting. The change in meeting date would need to be re-advertised.

Mike stated that the Planning Commission was comfortable with this change and Mike feels it might make some of the sequencing better for the Planning Commission.

Michele feels any other day but Tuesday is better because the Board has their meetings scheduled on Tuesdays.

Cody made a motion to approve the change in meeting day/date of the Planning Commission going forward.

Mike seconded.

Motion passed 3-2, with John and Michele opposed.

Michele asked Derek to confirm the September Planning Commission meeting.

Consider authorization to advertise zoning ordinance change with regard to the Applebrook Golf Club maintenance area.

Attorney Christman explained that Applebrook Golf Club would like to upgrade their maintenance facility. In order to do so, a zoning ordinance change is needed. This is pending with the County Planning Commission. The East Goshen Township Planning Commission discussed this at their February 1, 2023 meeting however, they tabled it for discussion and possible recommendation at their February 28, 2023 meeting. Attorney Christman is looking for Board approval to advertise a hearing for the adoption of the ordinance on March 7th.

Michele made a motion to authorize the Township Solicitor and Township Manager to advertise the proposed change to section 240-30-1C (g) of the East Goshen Zoning Code regarding footprint lots within the Planned Golf Course District.

David seconded.

John said this was previously discussed, he is neutral on this, and he supports the authorization to advertise.

Motion passed 5-0.

Consider scheduling a Conditional Use amendment hearing for March 21, 2023 for 905 Airport Rd.

Derek explained this request is to amend the existing conditional uses to add manufacturing use for a new tenant at 905 Airport Rd.

Michele made a motion to approve advertising and scheduling of the Conditional Use Hearing for March 21, 2023 for 905 Airport Rd. conditional use amendment application.

Mike seconded.

Mike commented the Planning Commission discussed and understands the fabrication will be contained within the building.

Motion passed 5-0.

Consider Board position on upcoming ZHB hearing for a dimensional variance at 1722 Towne Dr. with regard to a pool installation and rear yard setback requirements.

Derek explained the dimensional variance details. At the February 1, 2023 Planning Commission meeting, they unanimously voted in favor of this dimensional variance.

Mike suggested that the Board take a neutral position and allow the ZHB to decide.

Michele made a motion that the Board take a neutral position and allow the ZHB to decide.

David seconded.

Motion passed 5-0.

David added that we typically see these application with letters from adjoining properties specifying their position and he would like to see those letters.

Consider re-appointment of Doug Roberts to the Zoning Hearing Board.

Derek stated that back in December 2022, Doug indicated he would not seek re-appointment. This position is still vacant and Doug has expressed interest in re-appointment.

Mike made a motion to re-appoint Doug Roberts to the Zoning Hearing Board with the term to expire at the end of 2025.

Michele asked if the alternates were approached to see if they wanted to fill this vacancy. Derek responded.

Attorney Christman stated this requires a resolution and requested a revised motion.

Mike revised motion to adopt a resolution to re-appoint Doug Roberts to the Zoning Hearing Board with the term to expire at the end of 2025.

David seconded.

Motion passed 5-0.

Consider Stormwater O&M agreement for 822 Cottonwood Dr.

Mike made a motion to approve the Stormwater O&M agreement for 822 Cottonwood Dr.

David seconded.

Motion passed 5-0.

Standing Issues/Projects:

Hershey's Mill Dam Project – no update.

Milltown Dam Project – Derek stated this has not gone out to bid yet. DCNR stated National Park Service has not responded and Derek concluded we need to reach out directly. Derek contact Rep Houlihan's office today.

Hershey's Mill Estates Sewer Line Replacement – Derek stated that staging is complete.

Any Other Matter: None

Public Comment:

Attorney Christman advised the Board cannot consider any other documents on a conditional use at 1010 Hershey Mill because this matter is closed. Mr. McGill gave his comments regarding this topic.

Mr. McGill, 1050 Hershey Mill, offered his ABC application to the Historic Commission.

Mr. Geyer, 1560 Tanglewood, recognized Mark Miller and thanked him for the special attention Mark gave to protect Mr. Geyer's property while working on the Hershey's Mill Estates Sewer repair.

John would like to see a Business Park Task Force breakfast with Business Park organizations to gather feedback and encourage dialogue in April. Derek stated we are doing the ABC event in April. David added that businesses are reluctant to speak in front of others. He feels individual meetings are more productive.

John stated Rep. Pielli's office wants to meet. John suggested Derek and John meet with him. Cody added we should also meet with Rep. Christine Howard since she represents a portion of the Township.

Michele heard from Ed McFalls that power outages at Hershey's Mill are improving since switches were replaced.

Liaison Reports:

David reported the Pension Committee met last week and the investments outperformed many of the indexes. The 2023 actuarial calculation will be done for 2025 and this will impact the MMO. David added that we are highly funded and overfunded in our pension plans.

Mike reported that he met with the outside auditors and separately with the auditors and the Municipal Authority. This was a positive meeting.

Correspondence: None

Adjournment:

There being no further business, Cody motioned to adjourn at 8:50PM.

Michele seconded.

The motion passed 5-0.

Respectfully submitted,
Chris Boylan
Recording Secretary

Attached: February 2, 2023 Treasurer's Report

TREASURER'S REPORT		January 12, 2023 - February 2, 2023	
RECEIPTS AND BILLS			
GENERAL FUND			
Real Estate Tax	\$17,487.90	Accounts Payable	\$149,881.42
Earned Income Tax	\$160,400.00	Electronic Pmts:	
Local Service Tax	\$7,600.00	Debt Service	\$2,726.08
Transfer Tax	\$0.00	Payroll	\$246,186.93
General Fund Interest Earned	\$0.00		
Total Other Revenue	\$60,657.43		
Total General Fund Receipts:	\$246,145.33	Total Expenditures:	\$398,794.43
STATE LIQUID FUELS FUND			
Receipts	\$0.00	Accounts Payable	\$0.00
Interest Earned	\$0.00		
Total State Liquid Fuels Receipts:	\$0.00	Total Expenditures:	\$0.00
CAPITAL RESERVE FUND			
Receipts	\$0.00	Accounts Payable	\$19,810.40
Interest Earned	\$0.00		
Total Capital Reserve Fund Receipts:	\$0.00	Total Expenditures:	\$19,810.40
TRANSPORTATION FUND			
Receipts	\$0.00	Accounts Payable	\$0.00
Interest Earned	\$0.00		
Total Transportation Fund Receipts:	\$0.00	Total Expenditures:	\$0.00
SEWER OPERATING FUND			
Receipts	\$328,449.64	Accounts Payable	\$162,724.00
Interest Earned	\$0.00	Electronic Pmts:	
		Debt Service	\$22,290.16
Total Sewer Operating Fund Receipts:	\$328,449.64	Total Expenditures:	\$185,014.16
REFUSE FUND			
Receipts	\$117,788.82	Accounts Payable	\$20,126.49
Interest Earned	\$0.00		
Total Refuse Fund Receipts:	\$117,788.82	Total Expenditures:	\$20,126.49
BOND FUND			
Receipts	\$0.00	Accounts Payable	\$0.00
Interest Earned	\$0.00		
Total Bond Fund Receipts:	\$0.00	Total Expenditures:	\$0.00
SEWER CAPITAL RESERVE FUND			
Receipts	\$0.00	Accounts Payable	\$0.00
Interest Earned	\$0.00		
Total Sewer Capital Reserve Fund Receipts:	\$0.00	Total Expenditures:	\$0.00
OPERATING RESERVE FUND			
Receipts	\$0.00	Accounts Payable	\$0.00
Interest Earned	\$0.00		
Total Operating Reserve Fund Receipts:	\$0.00	Total Expenditures:	\$0.00
INFRASTRUCTURE SUSTAINABILITY FUND			
Receipts	\$0.00	Accounts Payable	\$0.00
Interest Earned	\$0.00		
Total Infrastructure Sustainability Fund Receipts:	\$0.00	Total Expenditures:	\$0.00
ARPA - COVID RELIEF FUND			
Receipts	\$0.00	Accounts Payable	\$5,044.50
Interest Earned	\$0.00		
Total ARPA - COVID Relief Fund Receipts:	\$0.00	Total Expenditures:	\$5,044.50