

A Workshop Meeting of the Upper Pottsgrove Township Board of Commissioners was held on Monday, April 1, 2019, at the Upper Pottsgrove Township Administrative Office, 1409 Farmington Avenue, with Commissioners Trace Slinkerd, France Krazalkovich, Renee Spaide, Martin Schreiber and Elwood Taylor present. Also present were Chief Francis Wheatley, Township Manager/Secretary Michelle Reddick and Sewer and Water Chairman John Bealer.

PLEDGE OF ALLEGIANCE – Those present pledged allegiance to the flag.

OPENING COMMENTS – None.

P.A.L. CARNIVAL – M. Reddick advised P.A.L. is interested in hosting a carnival with fireworks on the P.A.L. athletic fields located on Chestnut Grove Road. She explained the fireworks display is regulated by State law which requires the governing body (i.e., the Board of Commissioners) to approve the fireworks display. She further explained State law requires the fireworks company to provide proof of insurance and a bond. She noted the fireworks company is requesting to provide a check for \$50,000 in lieu of a bond as providing a bond would cost P.A.L. an extra \$500.00 for the fireworks display. She noted the Board would also need to approve the substitution of a check versus a bond. She reported the fireworks company has already provided their State license and certificate of insurance listing Upper Pottsgrove Township as an additional insured along with a sketch showing the proposed location of the fireworks. She noted these documents along with a letter from P.A.L. were included in your packet. Seth Lawrence was in attendance representing P.A.L. and noted Judge Durkin apologizes he could not be in attendance. He advised the event is scheduled for May 29 through June 2, 2019, the carnival rides will be provided by Bartlebaugh Amusements, and the fireworks display will be provided by Celebration Fireworks. He outlined the two planned routes of traffic and noted signage will be placed diverting some traffic to Farmington Avenue during the days of the carnival. He also reviewed the different areas for parking which include the area left of the baseball field, the area in the rear of the facility and the front parking lot. In response to a question from Chief Wheatley, S. Lawrence agreed to provide further information concerning the type, grade and how many fireworks. In response to another question from Chief Wheatley, S. Lawrence advise it is their plan to have an ambulance on location during the carnival. T. Slinkerd suggested a meeting be held with the police department, fire department, fireworks company and carnival company to coordinate efforts. In response to a question from Chief Wheatley, S. Lawrence advised a list of rides would not be available until approximately ten days prior to the carnival. E. Taylor expressed concern regarding accessibility and noise issues. In response to a question from R. Spaide, S. Lawrence advised the hours for the carnival would be 6-10 pm on Wednesday and Thursday, 6-11 pm on Friday, 2-11 pm on Saturday and 2-6 pm on Sunday. In response to a question from M. Schreiber, S. Lawrence advised the number of 4,000-5,000 attendees is just an estimate. M. Schreiber expressed concern regarding parking and noted they should have at least 750-1,000 parking spots available. F. Krazalkovich noted he accepts Judge Durkin’s apology that he could not be present tonight. He thanked P.A.L. for what they do for the youth in our area and noted he believes the event is appropriate for this location and will provide visibility to the township. In response to questions from M. Schreiber, S. Lawrence advised wrist bands will be available for a limited number of hours on certain days. In response to another question from M. Schreiber, S. Lawrence advised if the fields are dry and the fire company cannot stand by, the fireworks would have to be canceled. S. Lawrence agreed to coordinate a meeting with township staff, the police department and fire company to answer any further questions and address any further concerns regarding this event.

SEWER SYSTEM – T. Slinkerd advised the Board has been talking in Executive Session over the last several months about obtaining a valuation on our sewer system to determine whether it is worth selling. He explained that under Act 12, the township is now allowed to obtain fair market value for the sewer

system should they decide to sell it. He outlined the current risks the township is facing regarding its finances. He explained the General Fund is currently using capital reserve monies to fund the budget. He further explained as expenses continue to increase, the capital reserve will be depleted in approximately 3-4 years. He further explained both the police and non-uniform pension plans are unfunded by a cost of \$1,348,071.00 as of the 2017 audit, our total debt is approximately \$8-9 million, and our building infrastructure is aging and in need of repair. F. Krazalkovich clarified the unfunded pension as of the 2017 audit includes \$268,881 for the non-uniform pension plan and approximately \$1,079,190 for uniform pension plan. E. Taylor noted the projected revenues will also increase over the next 3-4 years. T. Slinkerd advised the township is obligated for 3-4 percent salary increases over the next few years, revenues will continue to decrease with our aging population and expenses will continue to increase. F. Krazalkovich explained the potential to sell our sewer system would allow us to pay down debt, cover our unfunded pension liabilities and upgrade our building infrastructure. He further explained that obtaining a valuation of our sewer system does not obligate us to sell our sewer system. E. Taylor expressed concern that the township would be considering selling our sewer system to a private entity who would monopolize our system rather than having the township continue to maintain our sewer system. He further expressed concern that the private entity would require additional residents to hook up to sewer. F. Krazalkovich explained that every business is run by government and noted we allowed our trash service to be monopolized in the past. R. Spaide noted there were residents required to connect to the sewer system in the past, and they did not have a choice. In response to a question from R. Spaide, J. Bean advised he and Joey have their sewer certification. F. Krazalkovich noted that our water system is currently owned by private entities, Aqua and the Borough of Pottstown. T. Slinkerd outlined the benefits of selling the sewer system which include: (1) eliminate township debt of \$8,000,000 to \$9,000,000, most of which is sewer but does include some open space; (2) eliminate the unfunded pension liability, \$1,348,071.00 in both the police and non-uniform pension plans, more after the 2019 actuarial valuation; (3) decrease the annual sewer fees, currently at \$860 per year; run possible fee numbers again price: \$820, \$790, \$760 and compute related price; we would reduce fees at the cost of a lower sales price; (4) decrease the connection and tapping fees; current \$5,447.00 plus private plumbing, for a total cost of \$12,000-13,000; (5) provide funding for capital infrastructure projects; (6) provide relief from sewer administration and maintenance; and (7) no transaction cost to the township. T. Slinkerd advised Public Financial Management is a company that could evaluate our sewer system and provide an estimate as to what it is worth. In response to a question from Richard Mingey, T. Slinkerd advised we have approximately 1,500 EDUs.

PENSIONS – T. Slinkerd outlined how the pensions work and noted we may need to adjust the Ordinance to all non-uniform employees to join upon hiring. F. Krazalkovich outlined the amounts by which our pension plans are unfunded: \$268,881 for non-uniform and \$1,079,190 for uniform, for a total unfunded liability of \$1,348,075. He noted the steps which have already been taken for unfunded pension funds include raising employee contributions and requesting our investors to lower fees. He outlined the next steps and solutions needed for unfunded pension plans which include (1) increasing investment returns; (2) allocating reserves to increase pension assets; (3) investigating actuarial calculations; and (4) creating a request for proposal for investment advisory services. In response to a question from M. Schreiber, M. Reddick advised we have not yet put out an RFP for investment advisory services as we need to address issues with our pension committee first. In response to another question from M. Schreiber, T. Slinkerd advised if an employee leaves before they are fully vested in the pension plan, we provide them with a check for the monies they have contributed plus interest. F. Krazalkovich reiterated the solutions to unfunded pension funds are multi-faceted. He advised that he is in favor of changing to a defined contribution plan for all new hires. F. Krazalkovich outlined the percentage decrease in our pension funding over the last several years: in 2010, it was at 107%; in 2014, it dropped to 96%; in 2014, it dropped to 89%; in 2016, it dropped to 81%; and in 2018, it was at 71%. He reiterated

that once it drops below 70%, the township will be facing mandatory requirements from the State, and we are trying to take steps to ensure this does not happen. E. Taylor advised he is not sure how our pension plan is unfunded when we counted on our actuary to calculate our minimum municipal contribution, and the township put in what was recommended under the MMO.

GREEN ALLIES

Farmers Market at Althouse Arboretum – M. Reddick advised Green Allies is working with eight local farmers to bring a farmer’s market to the Althouse Arboretum. She further advised the farmer’s market will also include children’s activities as well as a make your own pizza dinner. She noted it will be held one Friday a month throughout the summer with the soft opening on May 3rd from 4-7 pm, and the grand opening on May 31st from 4-7 pm. She further noted the Board will need to approve this activity as it has in the past since it is being held within township open space.

Use of Vehicles on Trails – M. Reddick explained our parks rules only allow township employees, Board of Commissioners and members of the Open Space and Recreation Board to use motor vehicles on our trails. She advised that Green Allies is requesting permission to be able to use a motorized vehicle on our trails. She noted that since this would be an exception to our Ordinance, the Board of Commissioners would need to approve. In response to a question from M. Schreiber, M. Reddick advised she believes Green Allies wants to use a golf cart on the trails but would obtain clarification on the type of vehicle. In response to another question from M. Schreiber, M. Reddick advised she would obtain clarification as the trails they would plan to use the motorized vehicle on.

Request for \$5,000 Budgeted Donation – M. Reddick advised a letter from Green Allies requesting the \$5,000 donation was included in your packet. She explained this money was included as part of the budget for 2019, but the Board of Commissioners would need to approve the donation. In response to a question from T. Slinkerd, C. Garner explained any non-profit could request a donation, and the Board would need to decide whether they would provide the requested donation.

STAUFFER SIGN – M. Reddick explained Greg Churach assisted with designing a sign to honor the Stauffer family. M. Reddick explained the Stauffer family has agreed to pay for the sign and have already provided a check to Greg to cover the cost of the sign. She further explained the Board would need to approve the location of the sign. In response to a question from E. Taylor, G. Churach advised the sign will be placed near the culvert on his side of Mimosa Lane approximately 20 feet off the trail. In response to a question from M. Schreiber, G. Churach advised the sign is one-sided and will be facing the trail. M. Schreiber expressed concern regarding who will be responsible for the sign if it is damaged and whether it would be covered under our insurance. He requested the township not be responsible for the sign. E. Taylor noted we are obligated under the agreement of sale for the Stauffer property to mark this area with a sign. C. Garner advised the sign should be a township sign covered under our insurance and we would be responsible for maintenance.

G. Churach agreed to speak with the Stauffer family to obtain answers to some of the questions and concerns.

APPOINTMENT OF DEPUTY TAX COLLECTOR – M. Reddick explained Diane DeLong has requested the Board appoint another deputy tax collector. She further explained Diane is having some health issues and will need to have surgery, and her current deputy, Gail Yoder, will not be available to cover upcoming tax collection hours which are already scheduled. Therefore, she has requested the Board consider appointing her husband, Dave DeLong, as a deputy. In response to a question from M. Schreiber, M. Reddick explained that a deputy would be required if they are going to be collecting taxes.

TAX COLLECTOR FEES – Tax Certification Fees – M. Reddick advised Diane DeLong has requested an increase in the tax certification fee from \$20.00 to \$25.00. In response to a question from M. Schreiber, M. Reddick advised there is typically only one certification requested per property transaction (i.e., sale of property) which usually comes from the title company handling the settlement.

Duplicate Bill Fees – M. Reddick advised Diane DeLong has requested an increase in her duplicate bill fee from \$3.00 to \$4.00 per bill.

EXECUTIVE SESSION – The Board adjourned into executive session at 8:23 p.m. to discuss a matter of real estate and personnel with no action to follow. They reconvened at 9:16 p.m.

ADJOURNMENT – The Board adjourned by the consent of those present at 9:17 p.m.

Respectfully submitted,

Michelle L. Reddick, Township Secretary