

Robert B. & Helen S.
Meyner Center
for the Study of State & Local Government

Pocopson Township
Organizational Analysis
May 2015

Lafayette College
Robert B. & Helen S. Meyner Center
For the Study of State & Local Government
2 Kirby Hall of Civil Rights
Easton, PA 18042

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For the Study of State and Local Government***

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The Center educates students about the vital importance of state and local governments and encourages young people to participate in state and local affairs as volunteers, interns, and future leaders. The Center also works with state and local government officials and civic groups in its Pennsylvania, New Jersey, and New York region to enhance public awareness, effective governance, regional cooperation, and public policy. For local governments in the region, the Center provides such specific services as administrative and financial reviews, comparative salary studies, executive-search assistance, strategic planning/visioning programs, and educational workshops and forums. The Meyner Center works, as well, with state, national associations of state and local officials, such as the Council of State Governments, National Conference of State Legislatures, National Governors Association, National League of Cities, Pennsylvania State Association of Boroughs, and Multistate Tax Commission.

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Preface

This report is an Organizational Analysis of the operations of Pocopson Township, Chester County, Pennsylvania. The report was prepared by David L. Woglom, Associate Director of the Meyner Center, pursuant to a March 2, 2015 contract between Lafayette College's Meyner Center and the Township. The Center thanks all of the Township staff, officials, and employees who participated in interviews and meetings needed to complete research for this report. Any views expressed in this report are not necessarily those of Lafayette College.

John Kincaid
Director & Professor

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Executive Summary

The Review and Analysis section of this report includes observations and recommendations for the Township's consideration. The following is a summary of the observations in the report:

1. Pocopson is governed by a three-member Board of Supervisors. The Board is composed of individuals who have served for approximately one, four, and fourteen years. One of the Supervisors also works part-time for the Township as a Receptionist.
2. The Township staff consists of an Administrative Secretary, Treasurer, Zoning/Code Enforcement Officer, Public Works Director (and two full-time employees in the Public Works Department), and Building Inspector (provided through contract with Keystone Municipal Services). Currently all staff members report to the Board of Supervisors.
3. The Township is in excellent financial condition. It also has significant capital improvement funds available to it.
4. The current organizational structure of the Township is that all members of the office staff, the Public Works Director, and the contracted professionals report directly to the Board of Supervisors without any one person administering and coordinating government operations. The result of this organizational structure is that the Township functions with some effectiveness. While the Township could change its form of government to a Council/Manager form, the vast majority of the Board and staff see no need to make a change. The benefit of any structural change would be achieved only if the Board and staff believed in the change and worked to make it produce an increase in efficiency and productivity.

The following is a summary of the recommendations in this report:

1. The Board of Supervisors should review the possible of expansion of hours of the administrative offices to determine if the intangible benefit justifies the cost.
2. The Township Solicitor should review the Second Class Township Code and advise if the Township is recording its ordinances in accordance with state law.
3. The Treasurer should produce monthly Financial Reports and provide analysis at the end of each quarter that highlights significant variances that could have a major effect on financial operations.
4. The Township should prepare a master plan for the relocation of its administrative offices. This plan should include possible new locations, an architectural and floor plan layout for each option, and a cost/benefit analysis of each of the options.
5. The Board of Supervisors should prepare and approve a Long-Term Capital Improvement Plan that addresses the future public works equipment, facility, and road improvement needs in the Township.

Introduction

Pocopson Township operates as a municipality in compliance with the Pennsylvania Second Class Code. It has a population of 4,582 (according to the 2010 census), a 2015 total budget of approximately \$3.35 million, and a current staff of 1 full-time and two part-time administrative employees, one part-time Zoning/Code Enforcement Officer, one part-time Building Inspector (employed through contract with Keystone Municipal Services), and three full-time Public Works employees. The Township experienced a 37% increase in its population between 2000 and 2010. The Township encompasses approximately 8.4 square miles of land, and is governed by a three-member Board of Supervisors elected for 6-year terms of office. The Borough employs an engineering firm to act as its appointed Borough Engineer and an attorney to act as the Borough Solicitor.

The Township's real estate tax rate is comprised of 1.2 mills for general purposes and 1.0 mill for open space preservation. This total tax rate is the 49th lowest rate out of 73 municipalities in Chester County. The Township also has an earned income tax rate of .5%.

Each of the three current members of Board of Supervisors was interviewed to collect their views and perception of Township operations. Interviews also were conducted with each of the three administrative employees, the Public Works Director, the Zoning/Code Enforcement Officer, the Building Inspector, and the Borough Solicitor. All interviewees exhibited a willingness to be open and frank in their observations and opinions, which was of great assistance to the interviewer.

The Township signed a contract with the Meyner Center in March 2015 to conduct an organizational analysis of Township operations, including an analysis of a change to a Council/Manager form of government. The methodology for this study is to conduct this examination through personal interviews and reviews of written information and documents.

Interviews Conducted

During the preparation of this report, the following officials were interviewed:

1. Supervisor Chairman Barney Leonard
2. Supervisor Vice-Chairperson Georgia Brutscher
3. Supervisor/Receptionist Ricki Stumpo
4. Administrative Secretary Susan Simone
5. Treasurer Peggy London
6. Public Works Director Mark Knightly
7. Zoning/Code Enforcement Officer Richard Jensen
8. Building Inspector Fran McArdle
9. Township Solicitor Ross Unruh

Review and Analysis

Governance

Currently the Township operates with a staff of:

- A full-time Administrative Secretary who handles office functions such as the keeping of Supervisor meeting minutes, the updating of the codified Ordinance Book, the preparation of Supervisor agendas, the provision of assistance to residents, and other administrative matters;
- A part-time Treasurer who administers all financial matters of the Township, prepares the draft budget, pays invoices, coordinates payroll checks, records expenses made and revenues received, maintains the Borough website, and coordinates all other financial activities of the Township;
- A full-time Public Works Director who supervises two employees in the department and coordinates the services provided to residents;
- A part-time Zoning/Code Enforcement Officer who enforces the Zoning Ordinance and other non-building code ordinances; and
- A part-time Building Inspector employed through contract with a third-party company who enforces all building codes.

The makeup of Pocopson's government is not complicated compared to larger municipalities. There is no police department, trash collection, public water/sewer provision and billing, or full-time fire services. The total 2015 budget of \$2.7 million includes a General Fund budget of only \$1.4 million. The Township is in excellent financial condition, as evidenced by:

- General Fund opening balance of approximately \$620,000 which is more than 40% of the General Fund budget;
- Total Funds opening balance of \$2.7 million which is more than 80% of the total Township budget; and
- Reserve Fund balances designated for capital improvements (in funds entitled Park Recreation and Trails, Township Facilities, Capital Reserve, and General Reserve) of more than \$875,000.

All five members of the Township staff report directly to the Board of Supervisors on the work each is performing. Each person indicates he/she is comfortable with the current structure and with the hierarchal structure of reporting directly to the Board. When asked if they thought that the Township would be better served by the use of a individual (such as a Township Manager) who coordinates all of the Township operations, each said that he does not see any value to this kind of structural change. One of the Supervisors likewise believes that the current operational system is thorough and meets the Township's needs, another is not sure of the benefits of creating a person to coordinate all Township operations, while the third Supervisor believes that the Township would be more efficiently managed through the creation of a Township Manager form of government.

Our proposal for this study indicated that we would review the possible merits of implementation of a Township Manager form of government and provide a cost/benefit analysis. In order to do this assessment, we first had to learn the current operations and the existing culture in Pocopson. Government is for and provided by people. The business of government is the provision of public services which is not identical in any two municipalities. There are many forms of government that can work effectively and productively in any municipality if the people—the elected Board and the staff—want the form of government to work. The business of government requires a collaborative, team effort between the Board and the staff that focuses on respect and recognition of diversity of opinion in making policy decisions, and efficiency and productivity in delivering public services. The quality of public services is the main determining factor of whether a municipality is responsive to its residents' needs.

One form of government that has worked in many municipalities across the United States for more than 100 years is a Council/Manager form of government. Regardless of the title of the person in the position, the “Manager” is the person at the top of the organization whose job is to coordinate the functions of government. Whether the municipality is small or large, simple or complicated, this person administers and coordinates all municipal operations, including all departments and municipal staff. It is his/her job to review all municipal functions and services to ensure that all departments and employees work in a coordinated, efficient, and productive manner. Acting like the CEO of a corporation, he or she works with the Board on governance and policy issues; reviews with staff members their short- and long-term work and goals; helps all staff members with requests from the public; administers the budget, watching carefully the month-to-month financial status; works with staff members to provide long-term plans for capital improvements; analyzes operations; and makes recommendations to the Board on potential changes concerning new or existing services. The Manager needs to be an excellent leader and to communicate thoroughly with the Board and staff; he is the conduit through which data is collected, information flows, and analysis is provided to assist both the elected Board and the staff. When a Manager is performing effectively, the result is that the elected Board focuses its energies on governance and policy while the Manager focuses on efficiency and productivity in operations.

Including the three Supervisors and five members of the Township staff, currently there is only one person who believes that the creation of a Council/Manager form of government would improve operations in Pocopson. Specifically, several people said that they are very opposed and don't see any value to this change. Despite these opinions, during our interviews, several people gave examples of how the Township has not acted in a coordinated way and how communication has been insufficient. The Township's review of the possible relocation of the Township municipal offices to the Barnard House is an example of the lack of coordination and an overall game plan (we will provide more specific detail on this topic in another section of the report). Additionally, the lack of a Supervisor-approved long-term capital improvement plan for public works improvements reflects the same lack of overall coordination.

Given the current culture in Pocopson, it is not our recommendation that the Township change its structure to a Council/Manager form of government. Our analysis shows that the Township is providing services to its residents in an effective way; the Township staff is dedicated; and the Township is in excellent financial condition. Government is defined by how well people work

together, and currently the Board and Township staff are meeting the basic needs of the residents. Furthermore, the vast majority of the eight individuals discussed above are comfortable with the current structure.

We do believe that the Township could change to a structure whereby the current Administrative Secretary assumes the traditional responsibilities of a Manager and coordinates office, financial, and public works operations. In this role, she would be the conduit of information from the staff to the Supervisors, and would then oversee the implementation of all policy set by the Supervisors, analyze the services being provided by the staff, and act as project manager for some of the capital improvement projects (such as the moving of the Township administrative offices). If the Administrative Secretary assumed the additional responsibilities of a Township Manager, she should also become active in municipal manager associations and take advantage of the training available; we believe that she is quite competent and capable of performing the responsibilities of a Township Manager.

If the Township makes this change to the responsibilities of the Administrative Secretary, we would also recommend that it consider increasing the working hours of the current Receptionist from 15 to 30 hours per week, and that the responsibilities of this position be expanded to assist the Administrative Secretary and Treasurer with some of their current assignments. This would free up some time for the Administrative Secretary to coordinate the overall operation of Township services. In order to do this, the Supervisors should ask the Administrative Secretary to prepare a revised job description of the Receptionist's job responsibilities. In order to comply with this new job description, the current Receptionist may require additional training.

The cost of this structural change would be the additional salary paid to the Receptionist plus an increase in the salary of the Administrative Secretary (to reflect her additional responsibilities). The benefit would not be measured in dollars but rather in value to the Township Board of Supervisors, staff, and residents by the increased efficiency and productivity of having one person coordinating the business of municipal government.

Operations

As discussed in other sections of this report, we believe that the basic operations of the Township are sufficient. Although fragmented, the system of five different people reporting to the Board of Supervisors is working.

Currently the Township building is open to the public only from 9:00 a.m. to noon despite the fact that Administrative Secretary and Treasurer frequently are in the building in the afternoon and do open the door to visitors if they knock on the door. While we understand that as a rural municipality, Pocopson has not felt the need for the office to be open in the afternoon, the Township may want to review this policy. Pocopson is no longer as rural in character as it once was and there may be a demand for expanding office hours. The Township building hours could be increased to 3:00 p.m. without the Receptionist working, although this would require that the Administrative Secretary or Treasurer act as the Receptionist in the afternoon. If the Township wishes to consider expanding its office hours to the public, it should first conduct a survey of how many people come to the municipal building in the afternoon. **Our recommendation is**

that the Board of Supervisors review the possible of expansion of hours of the administrative offices to determine if the benefit justifies the cost.

The Employee Handbook appears to be sufficient although we do notice several sections that may need revision. The Solicitor indicates that an attorney in his office with public sector expertise is in the process of reviewing the handbook. Our recommendation is that he review each section carefully to be certain all language conforms with both written law and precedents set by recent court decisions.

Currently the Township is recording its Supervisor meeting minutes in a bound-book as required by law. However, it is not recording its ordinances in a similarly bound book. Instead, it is only printing the ordinances as an update in its Codified Ordinance Book. Section 1601 of the Pennsylvania Second Class Township Code provides that “Ordinances shall be recorded in the ordinance book of the Township.” We believe that this language requires Second Class Townships to record a signed copy of each ordinance in a separately bound book. **It is our recommendation that the Township Solicitor review the Second Class Township Code and advise if the Township is recording its ordinances in accordance with state law.**

Financial Administration

Currently all financial activities are administered and coordinated by the part-time Treasurer. We find her to be very knowledgeable and skilled. However, she is not preparing monthly financial reports showing comparison to the Township budget. Regular financial reports keep the Supervisors, Administrative Secretary, and Public Works Director updated so that a comparison to the budget is constant and helps to ensure that the Township maintains control over its financial condition. We believe that Quick Books provides the ability to provide regular financial reports in the following format:

<u>Line Item</u> <u>Name</u>	<u>Budget</u> <u>Amount</u>	<u>Rec/Expended</u> <u>This Month</u>	<u>Rec/Expended</u> <u>Year to Date</u>	<u>Balance</u>	<u>Last Year</u> <u>Year to Date</u>
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It is our recommendation that the Treasurer produce monthly Financial Reports and that she provide analysis at the end of each quarter that highlights significant variances that could have a major effect on financial operations.

Relocation of the Municipal Offices

During the course of our interviews we have had much discussion of the Township’s review of a possible move of its administrative office to the Barnard House. While we have not conducted a thorough cost/benefit analysis of the options available to the Township, we do offer the following comments:

- The current administrative office and public meeting room are insufficient to meet the Township’s present and future needs. Having a functional and comfortable administrative office is an essential need of every municipality. The staff needs space to do their work and meet with the public. The public meeting room should be appealing, functional, and comfortable for Township Boards, Commissions and visitors; it is the room where most of the important decisions of the Township will be made.

- For some time, the Supervisors and a volunteer Committee have been reviewing the feasibility of moving the administrative office to the Barnard House. We understand the historic significance of the building and the potential intangible benefit of its use by the Township as its municipal offices. However, we believe that the proposed public meeting room in the Barnard House may be too small for the Township's future needs. Even if the current wall is removed to make the public meeting room larger, it may still be too small for the Township's future needs. Further, it appears that the administrative offices would be on the second floor of the Barnard House, which may provide building and handicapped access issues.
- The Township should prepare a master plan for moving its administrative offices and public meeting room. If it is going to move these offices and meeting room to the Barnard House, they should use professionals to first prepare a physical and financial plan that gives the Supervisors the necessary information to make their decision. Further, they need to decide how the Township will pay for the project.

It is our recommendation that the Township prepare a master plan for the relocation of its administrative offices and public meeting room. This plan should include possible new locations, an architectural and floor plan layout for each option, and a cost/benefit analysis of each of the options.

Public Works

The Public Works Director is experienced and knowledgeable in municipal public works. He indicates that the two workers in his department are quite skilled, have an excellent work ethic, and work well together. Although we have not conducted a thorough investigation into the public works operation, many of the people we interviewed—including the Public Works Director—indicate that the main public works need is a Supervisor-approved capital improvements plan that addresses the current and future equipment, facility, and road improvements needs of the Township. We have reviewed a Capital Improvements Plan prepared by the Director, but not approved by the Supervisors.

Additionally, the Director has made a request to the Supervisors to hire more staff for the department. Many of the people we interviewed acknowledged that the current condition of roads in the Township is poor and will continue to deteriorate further if a plan is not set and followed. While the Township is relatively small, a full-time staff of three is not too many for the services the Township Public Works Department provides. If the Township chooses to increase manpower in the department, while the traditional view might be to hire a full-time employee, hiring two full-time seasonal (April to October) employees might be less expensive and more functional.

We believe that the Board should have a thorough discussion with the Director on his opinion on manpower, equipment replacement, facility improvements, and road improvements. When looking at equipment, facility, and road improvements which are each quite expensive, the Township should also conduct a cost/benefit analysis of a loan/bond to pay for these expenses.

It is our recommendation that the Board of Supervisors prepare and approve a Long-Term Capital Improvement Plan that addresses the future public works equipment, facility, and road improvement needs in the Township.

Recommendations

As discussed in greater detail in the Review and Analysis section of this report, we offer the following recommendations:

1. The Board of Supervisors should discuss the possible of expansion of hours of the administrative offices to determine if the benefit justifies the cost.
2. The Township Solicitor should review the Second Class Township Code and advise if the Township is recording its ordinances in accordance with state law.
3. The Treasurer should produce monthly Financial Reports and at the end of each quarter, she should provide analysis of the report discussing significant variances that would have major a major effect on financial operations.
4. The Township should prepare a master plan for the relocation of its administrative offices. This plan should include an architectural and floor plan layout, costs, and a cost/benefit analysis of different options.
5. The Board of Supervisors should prepare and approve a Long-Term Capital Improvement Plan that addresses the future public works equipment, facility, and road improvement needs in the Township.