

P.O. Box 1, Pocopson PA 19366
Office: 610.793.2151 Fax: 610.793.1944
www.pocopson.org

Board of Supervisors Work Session Minutes
Tuesday, October 2, 2018
6:00 PM

This meeting was a Work Session for the 2019 budget. In attendance were Supervisors DiMonte and Stumpo, Public Works Director Mark Knightly, and Treasurer Peggy Lennon. Supervisor Balsama was absent.

Public in attendance: 0

Stumpo opened the meeting at 6:01 PM. Discussion of various items in the draft 2019 Budget ensued.

General Fund

Income for 2019 is expected to track closely with 2018 actual receipts (currently shown as "2018 Projected").

Section 409 (page 4):

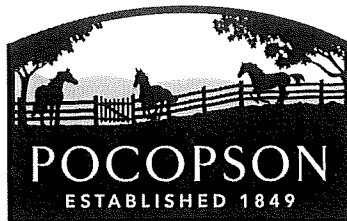
- Line 409.360: Utilities costs in 2019 budget are based on current facilities usage (e.g., does not reflect possible construction occurring at the Barnard House; or vacating of the Denton Hollow property for a major renovation.
- Line 409.720: New windows in the office portion of the Public Works Garage weren't planned for 2018 but approval was requested and received. Anticipated cost of \$15,000 maximum will keep this line item under the 2018 budget (\$27,600 projected vs. \$45,000 budgeted).

Line 411.510 (page 5): New line item for Act 172 property tax refund. \$4,000 is likely on the high side but Board agreed with it as a first year estimate.

Line 412.545 (page 5): Board agreed to continue annual \$750 donation to Good Fellowship Ambulance in West Chester, which backs up Longwood, especially on the eastern side of Pocopson.

Line 430.140 (page 6): Knightly may request approval for a new hire to begin work in April or May, and this might be a part-time employee, at least for the first few months. He noted that a sufficient number of plow drivers are available for winter snow removal season.

Line 456.420 (page 6): Board agreed to keep annual library funding at \$18,000 and to continue with this year's allocation of 60% to Kennett, 40% to West Chester. These donations reflect the presentations made in March and July 2018 and will be mailed by 6/30/2019. Decisions about how to allocate 2020 donation will be based on the 2019 presentations.



P.O. Box 1, Pocopson PA 19366
Office: 610.793.2151 Fax: 610.793.1944
www.pocopson.org

Lines 471.100 and 472.100 (page 6): Reflects payoff on a \$1.5 million loan, 20 year fixed rate of approximately 3%. This would be the maximum amount borrowed if the Barnard House option is chosen. If Denton Hollow is the choice, Township would borrow less than this. The anticipated loan amount may be modified in later drafts of the budget.

Section 492 (page 7): The Board members agreed to the following planned transfers:

- Line 492.013: Transfer \$100,000 to Highway Aid account to supplement state Liquid Fuels funding which supports road maintenance, chip sealing and paving, and salt.
- Line 492.444: Transfer actual amount of Real Estate Transfer tax collected to Capital Reserve account as has been past practice for 5+ years. Estimate is \$120,000 for 2019. A couple of months ago, when projections about how to finance the facilities project were beginning, it was thought that perhaps we'd have to skip a year for this transfer; but there should be an adequate reserve in 2019 to allow it.
- Line 492.494: Transfer \$7,500 to General Reserve. This will bring the balance to \$90,000, which is 5% of income as allowed by Second Class Township Code.
- Line 492.747: Transfer \$750,000 to Facilities account in 2019 (which follows a budgeted transfer in 2018 of \$700,000). This will allow the Township to finance more of the overall Facilities project from current reserves and borrow less.

Even with significant transfers to other accounts, the General Fund is expected to have an Ending Balance of \$500,000+ as of the end of 2019.

Highway Aid

Line 392.013: Income reflects \$100,000 transfer (see Line 492.013 above)

Sections 438, 439: Recommended projects approved by the Board are:

- Finish Beversrede paving (includes some milling) and pave Marlboro Rd: \$150,000
- Chip Seal Denton Hollow Rd (follow-up to base paving in 2018): \$19,800
- Guard rail for W. Creek Road: \$50,000

2020 projects will likely include paving at Tullamore and chip sealing of Marlboro Road.

Highway Aid account will finish 2019 with close to \$400,000, sufficient to continue a robust paving program in future years if accompanied by annual transfers of \$50-125,000.

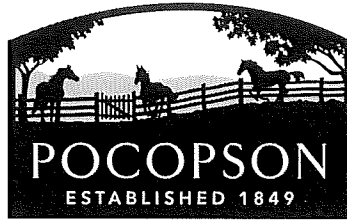
General Reserve

Line 392.494: Income reflects \$7,500 transfer (see Line 492.494 above).

Capital Reserve

Line 392.444: Income reflects \$120,000 transfer (see Line 492.444 above) or whatever the actual amount of Real Estate Transfer tax turns out to be

Line 430.730: Decision about new shed at Denton Hollow property can wait for 2020 or later, after 2019 construction is underway



P.O. Box 1, Pocopson PA 19366
Office: 610.793.2151 Fax: 610.793.1944
www.pocopson.org

Line 430.741: Recommended purchases which the Board approved are:

- New truck bed for 2004 International dump truck. Plans as of last year had been to buy a new replacement truck. However, this manual transmission truck is in good shape and should last for another 10 years with this improvement. Cost will be approximately \$32,150 vs. purchase of new truck at \$155,000+.
- New snow plow at cost of \$11,803.

Township Facilities

Line 392.747: Income reflects \$750,000 transfer (see Line 492.747 above).

Line 393.13: Facilities Loan Proceeds estimate; actual number may be lower than \$1.5 million depending which option is chosen

Section 409: Because the decision among options won't be made in time to be reflected in the budget, Board agreed to use 50% of the GKO estimates for each site

- Line 409.620: \$1,111,850 represents 50% of the GKO estimate for the Barnard House
- Line 409.660: Reserves an additional \$200,000 for professional fees related to the renovation of the Barnard House
- Line 409.720: \$840,000 represents 50% of the GKO estimate for Denton Hollow site
- Line 409.760: Reserves an additional \$200,000 for professional fees related to the renovation of Denton Hollow

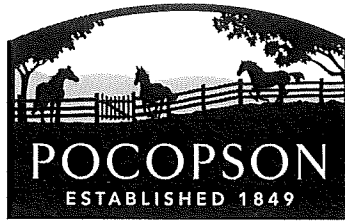
If the Barnard House site is selected, the \$1,040,000 listed in Line 409.700 will be reallocated to Line 409.600 (full \$2,351,850 available for this project). If the Denton Hollow site is selected, a portion of the \$1,311,850 listed for Line 409.600 will be reallocated to Line 409.700 as the overall project cost will be lower.

The Board emphasized that the proposed budget should clearly indicate that a decision is still to be made between the two projects and thus the budgeted allocations are simply placeholders. The overall 409 section reflects the maximum amount budgeted to be spent on a major facilities project in 2019.

Facilities account should finish 2019 with \$300,000+, which will allow for construction work in 2020 without additional borrowing, transfers from the General Fund, etc.

Route 52 Intersections

This account has been in a holding pattern for a few years as a planned turning lane installation at the intersection of Route 52 and Locust Grove Road is not feasible because to a gas line that cannot be moved. Knightly suggested using the funds in this account to improve the intersection of Route 52 and Parkersville Road (which is quite close to Locust Grove Road, so there is a nexus with the originally intended project).



P.O. Box 1, Pocopson PA 19366
Office: 610.793.2151 Fax: 610.793.1944
www.pocopson.org

Line 439.313b: New line item for 2019. Board asked Knightly to develop an estimate (while using \$100,000 as a placeholder in the draft). The current account balance should be sufficient to cover design, engineering and construction of this project, which would include removing the concrete island at the entrance to Parkersville Road.

Parks, Recreation & Trails

Line 452.313: Plan to survey property on the west side of Locust Grove Road.

Line 452.374: To continue progress on Overlook Trail, would pursue easement on adjacent property to use cart path and move existing fence (at Township expense) to create easier link with Overlook subdivision. \$16,000 is estimate for legal work, trail construction supplies, and new fence.

Historical Committee

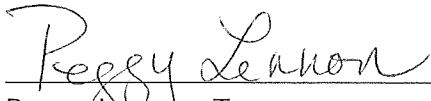
Line 459.372: Substantial work was completed in 2018 at little expense to the Township. This section will be updated after additional input following the Historical Committee meeting on 10/10. Board may wish to discuss with the Committee the anticipated timeline for completion of the Schoolhouse (to a point where it can open for programming).

Open Space Tax

Section 461: The Board has not taken a position on whether additional open space preservation opportunities would be considered if they entail any cost to or involvement by the Township whatsoever. Funds have been included in the 2019 budget simply to preserve the Board's right to discuss the issue in depth at a later date.

Budget Adoption Schedule: Board agreed to adopt the 2019 Budget at the November 26 Regular Meeting. The required 20-day public review period means placing an ad by Monday, November 5 in the Daily Local News stating that the proposed budget is posted on the Township website with a hard copy available for review at the Township office.

Adjournment: At 7:35 p.m., DiMonte moved, Stumpo seconded, to adjourn the meeting; motion carried.



Peggy Lennon, Treasurer



Ricki Stumpo, Chair