

MIDDLETOWN TOWNSHIP  
DELAWARE COUNTY, PENNSYLVANIA  
May 12, 2014

Minutes of the Regular Meeting of Township Council Held on, May 12, 2014 at 7:00 P.M., in the Township Administration Building located at 27 North Pennell Road

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Present: M. Amoroso, L. Bradshaw, R. Carlson, S. Galloway, M. Kirchgasser, C. Quinn and N. Shropshire

B. Clark, and J. Damico, Esquire

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1. Chairperson Mr. Kirchgasser called the meeting of the Council to order at 7:07 P.M., and led recitation of the Pledge of Allegiance to the Flag. He noted there was an executive session prior to the meeting to discuss a legal issue regarding the Sewer Authority and Item 5H on the agenda.

2. APPROVAL OF THE MINUTES

Ms. Bradshaw motioned to approve the February 24, 2014 regular meeting minutes, Ms. Amoroso seconded this motion and Council approved 6-1(Mr. Shropshire abstained due to his absence at that meeting).

Mr. Shropshire motioned to approve the March 24, 2014 regular meeting minutes, Ms. Bradshaw seconded this motion and Council approved unanimously.

Mr. Shropshire motioned to approve the April 14, 2014 regular meeting minutes, Ms. Bradshaw seconded this motion and Council approved unanimously.

3. COMMENTS FROM THE PUBLIC

No comments.

4. REPORTS

- A. CHAIRPERSON

Mr. Kirchgasser complimented the Township staff as a whole, but specifically Debbie Timblin, for her work with the Community Day held on May 3, 2014. Mr. Clark commented that he agreed with Mr. Kirchgasser and that Community Day keeps getting better and better each year. Mr. Clark expressed that this year's Community Day was "a great day all around."

- B. FINANCE AND ADMINISTRATION

Mr. Carlson reported the Finance and Administration Committee had a discussion regarding the Bond refinancing, the Pension cost of living, and the HRA reimbursement.

- C. LAND PLANNING

Ms. Bradshaw reported an applicant discussed the possibility of putting a drive-through on his property—1010 W. Baltimore Pike.

D. MANAGER

Mr. Clark had no additional comments other than what he already stated about Community Day.

5. NEW BUSINESS

A. 2010 Bond Issue Advance Refunding

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Mr. Clark introduced Jim Gray and Bryan Bradley from RBC Capital Markets, explaining RBC has worked with the Township on past bond issues and that they have made Council aware the Township is at a point where it could consider an advanced refunding of the 2010 Bond Issue. He noted that taking advantage of this would save the Township "a considerable amount of money."

Mr. Bradley explained the current market was favorable for a refinancing due to borrowing rates being historically low for municipalities. He then reviewed the presentation packet he provided the Township. Notable points from this review included that today's rates are lower than 80% of the historical rates since 1961 and the cash flow analysis showed a present value savings of \$333,539 (4.66%). He noted the general market rule of thumb for refinancing is 3%, which is less than what the actual savings to be realized would be based on current rates. Mr. Bradley recommended Council approve the refinancing contingent upon a determined minimum savings threshold being met. He recommended Council set the minimum savings threshold at the general standard of 3%, but noted Council could set the threshold to whatever level they choose. Mr. Bradley went on to explain that the target time table would be for bond issue final approval and sale by June 30, 2014, with closing in August.

Mr. Galloway asked if the savings would be taken completely up front. Mr. Bradley responded that Council could take the savings in any fashion. Mr. Clark commented that this would be a savings in the capital budget in 2015 and that Council could decide what to do with that money when making 2015 budgetary decisions. He also noted Council did not need to make a decision on when to take the saving at this meeting; they only needed to make a decision on whether or not to approve the refinancing.

Mr. Galloway reported the Finance Committee recommended Council move forward with a minimum savings threshold of 3%. Mr. Kirchgasser asked Mr. Bradley what projection of demand would be over the next few months. Mr. Bradley stated there is limited supply this year and that demand is down considerably from last year. He explained that this scenario works well for the Township because it should help keep the rates down. Mr. Kirchgasser asked what he recommended for the threshold, and Mr. Bradley also stated 3%.

Mr. Kirchgasser asked if the Public had any questions. There were none.

Mr. Galloway motioned to approve moving forward with the Bond Issue Advance Refunding. Mr. Carlson seconded the motion and Council approved unanimously.

**B. Review of Zoning Hearing Board Application—2014-04—Ward—16 Van Leer Avenue**

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Mr. Clark reported a Zoning Hearing Board Application for 16 Van Leer Avenue was received. The owner is requesting to attach a garage to the side of his house, in the R2 zoning area. He reminded Council that R2 zoning areas require minimum setbacks of 20 feet for side yards and 45 feet for aggregate side yards. Based on the configuration of the property and location of the house, the proposed 20 foot by 20 foot garage addition would encroach within 10 feet of the one side yard. In addition, the setback for the aggregate side yard would only be 30 feet. Mr. Clark noted the owner is asking the Zoning Board for relief on the setback requirements. Mr. Kirchgasser asked Council if any members felt it was necessary for the Township Solicitor to appear at the Zoning Hearing Board in regards to this matter. No Council member felt this representation was necessary.

**C. Appointment of Alternate Sewage Enforcement Officer (SEO)**

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Mr. Clark explained an Alternate Sewage Enforcement Officer (SEO) is currently needed due to the regular SEO being unavailable due to health issues. The firm previously used for this service no longer has a SEO on staff. That firm recommended Mark Bryan, as did John Ibach, the Sewer Authority Manager. Mr. Bryan sent a proposal for \$50/hour plus mileage at the current IRS reimbursement rate. Mr. Clark provided Council with information on his background and recommended Council engage Mr. Bryan as the Alternate SEO.

Ms. Bradshaw motioned to engage Mr. Bryan as the Alternate SEO, Mr. Quinn seconded this motion, and Council approved Resolution 2014-40 unanimously.

**D. Amendment of Retirement Health Savings Plan**

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Mr. Clark reported the Township established a pre-tax retirement health savings plan in 2006 for employees to participate, which is no longer compliant with federal regulations that became effective January 1, 2014 within the Affordable Care Act (ACA) not allowing funds to be used prior to retirement as the current plan permits. Mr. Clark has been in contact with the Township's plan sponsor, the ICMA Retirement Corporation. He reported that ICMA recommended several ways to amend the plan. The simplest way recommended was to freeze current plan account as of December 31, 2013 and adopt a new plan as of January 1, 2014 that removes the provision that allows employees over 55 to use funds from their account.

Ms. Bradshaw motioned to freeze contributions into the current Retirement Health Savings Account, effective December 31, 2013. Mr. Carlson seconded this motion and Council approved Resolution 2014-41 with a vote of 6-1 (Mr. Quinn).

Ms. Bradshaw motioned to reestablish the Retirement Health Savings Account with a new plan effective January 1, 2014 without the provision that previously allowed withdrawal

after age 55 and now only permitting withdrawal either at separation from the Township or retirement. Mr. Carlson seconded the motion and Council approved Resolution 2014-42 with a vote of 6-1 (Mr. Quinn).

E. Amendment of Health Reimbursement Account—In-Network Hospital Co-Payments

Mr. Clark explained the Township established higher deductibles for hospitalization daily co-pays in order to cut down premium cost several years ago. At that time, the Township decided to pay those payments directly for employees because of overall premium savings. The first year this plan was in effect, the Township paid out \$1800 for employee hospitalization and still saved approximately \$14,000 on premium cost.

Since that time, Mr. Clark reported that the premium costs and co-pay cost for hospitalization has increased. Hospitalization co-pays are now at \$500 for a maximum of 5 days. The current daily reimbursement is set at \$175 and it is the Finance Committee's recommendation to increase this amount to \$215 for the standard medical insurance option. Mr. Clark also reported that the recommendation for the buy-up option is to decrease the reimbursement amount to \$25/day. This difference of payment is due to the fact that the buy-up option's co-payment for hospitalization is only \$100/day under the current plan. Mr. Clark explained the additional expense projections are based on the number of days filed for reimbursement request in previous years for employees, and would increase the amount the Township would be responsible for by \$680 over the course of the year.

Ms. Amoroso asked Mr. Clark to explain how the buy-up option worked. Mr. Clark stated the buy-up option is a higher level plan with different co-pays and provisions, but an employee choosing that coverage pays the full premium differential between that plan and the base plan.

Mr. Carlson motioned to amend the Health Reimbursement Account by increasing the in-network daily hospitalization co-payments to \$215 for the standard option and reducing the buy-up option's reimbursement to \$25. Ms. Bradshaw seconded this motion and Council approved Resolution 2014-43 unanimously.

F. Authorize Change Order—Custom Pumper Vehicle for Rocky Run Fire Company

Mr. Clark reminded Council a bid proposal was approved in February for the purchase of a custom pumper vehicle for Rocky Run Fire Company. Since then, the Fire Company has reviewed the specifications and pre-construction designs, and small changes were identified. The fire company is requesting an increase of \$1,263 to the purchase price in order to accommodate these changes. The new cost of the pumper vehicle will be \$560,783.

Mr. Shropshire noted these changes addressed safety concerns and motioned to execute the change order for the Custom Pumper Vehicle. Ms. Bradshaw seconded this motion and Council approved Resolution 2014-44 unanimously.

G. Approval of Bill List

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Mr. Kirchgasser read aloud the bill presented for Council’s consideration for approval for payment.

Mr. Carlson moved that payments under the May 12, 2014 Bill List be authorized for payment by the Finance Department:

	<u>General Fund</u>	
Independent Blue Cross	May Health Insurance	\$8,006.22
	highway Share	\$10,881.71
	Sewer, Cobra, and Library Share	\$4,564.78
	Recreation Share	\$3,476.80
		\$26,929.51

Ms. Amoroso seconded the motion, and Council approved Resolution 2014- 45 unanimously.

H. Request for Consideration of Zoning Amendment—Sleighton Tract – Toll Brothers

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Joe Riper, Attorney for Toll Brothers, provided a brief history of the development on the Sleighton property, which discussed meeting with the community and taking steps to revise the application. The current application now reduces the total density in the Township from 253 units to 225 units (109 detached and 116 attached). The density calculation of this reduced amount is 2.15 units per acre. Mr. Riper noted there were no changes to the unit amount for Edgmont.

Mr. Riper commented that Toll Brothers met with focus groups and were successful. Those who attended were acceptable to the idea of an age-restricted community compared to other options. He noted there are 3 CCRC communities in the Township, but no 55+ communities. He went on to state that some meeting attendees voiced they would be interested in moving into such a community in the Township, if it existed. Mr. Riper commented that there was a lot of concern expressed about traffic. A recent study conducted by Toll Brothers’ traffic consultant found the by-right option for a continuing care facility results in 500 more trips/day than what is being proposed currently.

Mr. Riper requested a follow-up joint public meeting with both Planning Commissions, with the idea that Toll Brothers would lay out the impacts, how they planned to respond to the impacts, and how they could be a benefit to both townships (Middletown and Edgmont). Currently, the Township Planning Commission approved the proposed Ordinance Amendment but the Edgmont Township Board of Supervisors recommended Toll Brothers

go to Public Meeting to learn what the public reaction is to the proposed amendment. He noted he is scheduled to appear in front of Edgmont Planning Commission on 5/19.

While a Toll Brothers representative was fixing a computer malfunction with their presentation, Mr. Kirchgasser complimented Elwyn Security Staff on the identification and Pennsylvania State Police subsequent arrest of four vagrants on the Sleighton property. Mr. Riper thanked Mr. Kirchgasser and noted Elwyn has increased security. He also stated a request was made for a larger presence of the State Police in this area as well. In addition, residents have been asked to report anything that may look out of the ordinary.

When the technical problems were resolved, Mr. Riper used a diagram to illustrate the areas where the biggest change to the plans were taking place. He identified this area as the carriage units in the bottom left of the map and explained the number of units was being reduced by 28. In addition, there were a few "dead end" roads that were changed.

Following this presentation, Mr. Kirchgasser informed Mr. Riper that the Township would wait to determine if a joint meeting with Edgmont was appropriate until after feedback is received from the Edgmont Township meeting scheduled for May 19, 2014. Mr. Riper asked if he could work on a potential date for the joint meeting and Mr. Quinn reiterated that Council would prefer to wait until Edgmont Township made their decisions.

Mr. Shropshire asked for further clarification on the information both township's Planning Commissions had on this project at present. Mr. Riper explained the complete presentation was made to the Township's Planning Commission; however, only part of the presentation was made to Edgmont's Planning Commission. The remaining information would be presented to Edgmont at the May 19 meeting. Mr. Shropshire commented that he felt it was not productive to have both Planning Commissions hold a joint meeting until they both had the same information.

Mr. Kirchgasser asked Mr. Riper to follow up with Mr. Clark and himself once the meeting with Edgmont Planning Commission took place. Then, based on that information, he informed Mr. Riper that Council would make a decision about whether or not a joint meeting was necessary. Mr. Riper thanked Council for their time and noted he would follow up after May 19<sup>th</sup>.

6. ADJOURNMENT

Ms. Galloway motioned for adjournment and Mr. Quinn seconded the motion. Council approved unanimously to adjourn the meeting at 7:56 PM.

Respectfully submitted,



Amanda Allen, Recorder