

**WEST GOSHEN TOWNSHIP
BOARD OF SUPERVISORS
TELECONFERENCE BOARD WORKSHOP MEETING
March 2, 2021**

Township Supervisors:

Mr. Shaun Walsh, Chair
Ms. Ashley Gagné, Vice-Chair
Ms. Robin Stuntebeck, Member
Mr. John Hellmann, Member
Mr. Hugh J. Purnell, Member

Township Officials:

Mr. Casey LaLonde, Township Manager
Mr. Derek Davis, Asst. Township Manager
Mr. Bill Webb, Zoning Officer
Mr. Rick Craig, Township Engineer

The March 2021 workshop meeting of the Board of Supervisors was called to order by Mr. Walsh, Chair of the West Goshen board, at 6:00 p.m. on Tuesday, March 2, 2021, virtually, via GoToMeeting due to the ongoing COVID-19 pandemic. Mr. Walsh opened the meeting with the Pledge of Allegiance to the Flag.

Mr. Walsh announced the meeting was being recorded via GoToMeeting and asked the public to mute themselves when not speaking to eliminate background noise. He also stated with each topic that requires a vote will be discussed by board members, followed by public comment, and finally a full roll call vote. He asked that people wanting to speak announce their name. He also stated there would be an opportunity for public comment at the end of the meeting.

Mr. Walsh announced that the board met in executive session on February 25th to discuss personnel matters. He also announced the annual "Goose Creek Cleanup" here in the township as part of the larger Chester Ridley Crum Watersheds Association area-wide cleanup effort and encouraged the audience to take a look at their website as well as the announcement on west Goshen's website if they would like to sign up.

Mr. Purnell stated he wanted to know if the car show would still be able to happen this year but said he would save that discussion for public comment.

Discussion of West Goshen Township Pension Management & Future Investment Returns

Walker Thompkins and David Brune, Resident members of the Township Pension Committee, proceeded to give an overview of the township's process for investments and policies. Mr. Thompkins explained the overall history of the pension plan and pension committee that led to where the committee is today as far as being the primary advisory group for making sure the pension is performing the way West Goshen envisioned.

Mr. Thompkins further explained that the Investment Policy Statement (IPS) is what really governs the entire process and what Vanguard, the outsourced Chief Investment Officer, has to adhere to when investing for the township. He also stated that the entirety of the Advisory Committee is made up of 5 residents and internal staff. Mr. Thompkins also explained that there are three different funds being managed for the township under this pension plan: The police fund, Sewer Fund, and Roads/Administration Fund. He also explained how the Trust Administrator, Bryn Mawr Trust, and the Actuary, Conrad Siegel, fit into the process as well.

Mr. Hellmann asked how often the IPS should be reviewed. Mr. Thompkins explained that it must be reviewed every 5 years but, as markets change, it can be done on a more frequent basis and was just done in 2018 for this pension.

Mr. Brune picked up the presentation from there and proceeded to discuss the quarterly meetings and how investment decisions are made. He elaborated on the IPS and stated that, if there was a change that the committee wanted to see in terms of how investments are being managed, it would include the Board of Supervisors as they would need to vote on any change.

Mr. Brune went on to wrap up the presentation by discussing the quarterly meetings. He discussed the meetings with Vanguard and the information they give quarterly, including market performance reviews, current asset allocations, and individual performances of all three funds. He explained that the committee members use this time to ask many questions as well. Mr. Brune further commented that the focus is really on whether or not the portfolio is performing the way it needs to over a long period of time. Mr. Brune showed the audience some sheets that are similar to what the pension committee reviews on a quarterly basis. He added that the committee works diligently in making sure the parameters of the IPS are being met and that rebalances take place within the framework of the IPS when the committee feels it is necessary.

Mr. Brune stated that the funds are performing above the actuary predictions since inception which has been a very fantastic result for the township. He also said that, with all the macro-type information being reviewed, the committee also is looking at the nuances of the individual holding of each portfolio to see how they are performing. Overall, Mr. Brune stated that the main goal is for Vanguard to bring the committee the information on performance and for them to ask questions on the township's behalf.

Finally, Mr. Brune discussed the assumed rate of return of 7% the township currently uses as its benchmark of wanting to hit in order to fund the pension plans properly. He delved into the options there are and whether it was a good idea to keep that assumed rate of return stable or change it since it is a concern that, perhaps, going forward, the township may not be able to hit that benchmark or there is an option to change investments to try and hit that 7% long-term.

Mr. Walsh asked Mr. LaLonde and staff about Bryn Mawr Trust and Conrad Siegel (Trust Administrators and Actuary) and how their services were in terms of what they provide to the pension plan. Mr. LaLonde responded that he felt both services were on par with what is expected and that the services are both cost-effective for the value the township is getting.

Mr. Walsh asked more specifically about the actuary and whether they are able to provide what would happen in different scenarios should the township explore changes to the IPS to which Mr. LaLonde responded that they can in fact provide those services. Mr. LaLonde stated they provided such services when changes were made to the non-uniform pension a couple of years ago.

Mr. Hellmann asked about the current "funding ratio" of the three plans and whether they were treated as separate entities. Mr. Thompkins explained that they are treated as three different portfolios but that the methodologies and how the assets are invested are all very similar due to all of them using the same IPS and, therefore, the returns are virtually identical. Mr. LaLonde elaborated on what percentage the plans are currently funded and said, historically, they have typically been in the high 80s to low 90s

as far as the percent funded, but that he would check with the actuary because it changes all the time. Mr. Thompkins added that there are several variables to the funding percentage but reiterated that they have been historically around where Mr. LaLonde stated they were. Mr. Purnell indicated the funds are very well-funded and do not have the same problems as other governments.

Mr. Hellmann also asked if there were legally mandated percentages pensions have to "hit" in order to be solvent. Mr. LaLonde explained that there are times when a plan is very low funded that the PA Auditor General would step in and make the municipality come up with a plan to become solvent but that West Goshen has never had to deal with that as of now. Mr. Hellmann also wanted further clarification on where the 7% number came from and asked whether that was the percent needed to pay the obligations. Mr. Walsh explained it is technically the other way around wherein the investment portfolio is looked at first and, from here, it can be determined what the expected return will be and the actuary can base numbers off of the portfolio. Mr. Hellmann asked that, if the township maintains a 7% return, that would be enough to fully fund the pension. Mr. Thompkins, Mr. LaLonde, and Mr. Brune all indicated that it was not the case and that many variables go into the pension payouts as well as the returns.

A discussion ensued on the assumed rate of return and how much that can be counted on going forward with fluctuations in the market. Mr. Walsh asked how realistic this number was to continuously reach in the coming years. Mr. Brune did indicate that it was continued concerned because the township has to look at shorter time horizons than Vanguard. Mr. Brune further stated that chances of hitting that 7% benchmark over a 10-year period are only 14-20% so it certainly is not that great of a chance to continue to rely on that 7% return. Mr. Brune provided some hypothetical changes that could be made including changing the portfolio allocation toward more equities in order to make that number or take the assumed rate of return down to a lower percentage to feel more comfortable with being able to make the return on a yearly basis. Mr. Brune also spoke of Vanguard actively managed funds and looking into those funds in order to be able to make the assumed rate as well.

Mr. Walsh spoke of the Minimum Municipal Obligation (MMO,) which needs to be funded by the township on a yearly basis, in the context of market volatility and that the large fluctuations in the MMO recently has made him think about consequences when the assumed rate of return is not met. He also spoke on the MMO in the context of the larger revenue and expenses concern for West Goshen.

Mr. Thompkins elaborated on the portfolio breakdown and that the committee use to have a 60-40 breakdown with equities versus fixed income but recently went to a 65-35 split. Mr. Thompkins indicated that a conversation could be had on going to a 70-30 split in favor of equities but that he thought it was too risky in his opinion.

Mr. Walsh suggested it may be a good idea to have the committee work through some of these hypotheticals and come back to the board at some point with a few recommendations on how to move forward. Ms. Gagné asked if the actuary would be involved in a public meeting if the board decided to go that route. Mr. LaLonde explained that changing something like that within the IPS would require board approval and a full public deliberation of the issue and that the actuary would be included in such

conversations. Ms. Gagné stated she wanted to make sure that the board knows what sort of input Vanguard had in any recommendations to come before the board as well when the time comes to discuss in a public meeting.

As a longstanding member of the pension committee, Mr. Walsh asked Mr. Purnell if he wanted to share his thoughts. Mr. Purnell thanked the committee and stated that the township was very fortunate to have some of the members that they have on the committee to advise the township. He also stated that his gut feeling was that we could continue to hold on to the 7% assumed return for now but did not think bringing in the actuary was going to add real value to the conversation.

Mr. Walsh opened the discussion up for public comment. Ms. Margie Swart, resident, asked why there was a separation in the pension funds for Sewer and Road/Administration and wanted to see if anyone could provide the background on that. Mr. Thompkins explained that there are legal and tax purposes for why they are separated. Ms. Camp asked whether the sewer pension plan was funded through sewer revenues to which Mr. LaLonde replied yes but not the Sewer Authority but rather Sewer Operating money. Ms. Swart asked about some employees that pay a portion into both the Sewer and Roads/Administration plans and whether that individual would be getting two separate checks. Mr. LaLonde stated that was correct.

Ms. Swart stated that, since it has been three years since the Deferred Retirement Option Plan (DROP) was implemented in West Goshen and that the initial retirees have all retired fully, the board may want to look at what financial impacts that has had on the township prior to the 2022 police contract discussions take place. She also said she believes the DROP program is a large contributing factor to the MMO increase.

Mr. Walsh thanked the committee member for their work and for the outstanding job in providing guidance for the township pension plans over the years. He also indicated that the rate of returns have been excellent because of that.

Discussion and Possible Approval of Phase II – Woodlands at Greystone

Mr. LaLonde stated that Mr. Craig would explain the plan and what is up for approval. Mr. Craig explained that the original plan that was approved was split up into three phases by the developer for recording purposes. He further stated that Phase one is underway right now and, although not fully complete, the developer would like to proceed with the recording of phase two. Mr. Craig stated that there were some smaller incidental issues that came up but, overall, it is a simple phasing plan.

Ms. Camp reiterated that this really is a phasing plan and that preliminary and final land development for the entirety of the project has already been completed for quite some time. She also indicated that the main purpose for this phasing was to let the developer post the necessary security to begin phase two.

Mr. Walsh asked if anyone else on the developer side wanted speak on behalf of the Greystone development. Mr. Lou Colagreco, attorney for the developer and Mr. Bill Reiser, developer, both stated that Mr. Craig and Ms. Camp's explanations were very much in-line as far as an accurate explanation of the Phase two plans.

Mr. Hellmann brought up some items that are still outstanding, based on a meeting to discuss said issues in the past, and wanted to get Mr. Craig's take on where we stand on those. Mr. Craig stated he felt comfortable with moving forward as many of the items Mr. Hellman referred to were conditional use issues and not necessarily Phase two issues that needed to be addressed tonight. Mr. Colagreco also indicated that a letter would be coming from him concerning those items and updated timelines on the completion of the items. Ms. Camp indicated that, based on the original conditional use, a hearing did not have to be reopen to simply update timelines on these issues so she felt comfortable with Mr. Colagreco drafting a letter for board approval of updated timelines.

Mr. Walsh asked about a Sewer Authority issue pertaining to a sewer main that had to be enlarged due to this project and wanted to know if that would be a part of the timeline revision letter. Mr. Colagreco stated they are not asking for that timeline to be modified and that the sewer main Mr. Walsh was speaking of should be completed on time.

Mr. Walsh asked for a motion to approve the Phase Two plans for Woodlands at Greystone. Mr. Purnell made the motion with Mr. Hellmann seconding it. Mr. Hellmann asked if they would have to go through this process for Phase Three to which Mr. Colagreco replied that they would but they will be starting that process sooner rather than later.

Ms. Swart asked where the completion of the park stood at the moment given the reasoning for the Neighborhood Improvement District (NID) was to speed up the timeline for that infrastructure completion. She also asked about the 5-year plan for the barrens area and why it was all of a sudden so far out.

Mr. Colagreco stated that the serpentine barrens had a five-year protocol for how the area was to be cleaned and restored. He also indicated that the improvement to the public park are coming along and that the trails are to be completed by the 200th use and occupancy permit but that the development is currently on the 67th. He also stated there has been a somewhat of a delay because of weather but that they are hoping to keep up progress.

To Ms. Swart barrens question, Mr. Ray Grochowski, project manager for Greystone, pointed out that there was always a 5-year plan for the clearing and restoring of the barrens area and that it was never suppose to be less than that.

Ms. Swart also asked if the walking and biking path along Aram Avenue was open to the public to which Mr. Colagreco replied that it should not be because it has not been dedicated. Mr. LaLonde stated that it is not township property and will not be dedicated to the township. Ms. Swart asked if once Aram Avenue is dedicated if the trails would be public. Mr. Reiser indicated that they have no issue with the trails being utilized by the public but would like to have Aram Avenue dedicated as soon as possible as it

will be a township road and is currently being utilized by the public. Ms. Swart also asked about the carriage house and whether or not it was part of the Neighborhood Improvement District (NID) since, in her research, it looked as if it was not being assessed NID fees. Mr. Colagreco stated he would have to go back and check. Lastly, Ms. Swart asked about the \$1 Million due to West Goshen Township that was part of the NID agreement in order to help maintain the open space. Mr. Colagreco stated he would have to see exactly but believes the agreements spells out the trigger for that. Mr. Rieser added that, since the money was specifically for the purchase of equipment and providing capital for the open space, it would make the most sense to have it go to the township when the park is dedicated. Mr. LaLonde stated the Conditional Use (CU) says it will be going to the township upon park dedication.

On the motion to approve the Phase Two plans for Woodlands at Greystone, the full vote of the board passed 5-0.

Continued Discussion of West Chester University Overlay Ordinance

Mr. Walsh indicated that this discussion was a carry over from the February meeting in order to work out the remaining issues that did not get rectified in terms of board position or direction. Ms. Camp stated she still needs to obtain some answers from the board in terms of the direction they would like to pursue with regards to this ordinance.

Ms. Camp explained her thought process in coming up with the current language wherein the university would essentially have some sort of contractual relationship with a private entity who is building and managing student housing. She stated she is comfortable with that relationship built into the ordinance from a legal perspective. Ms. Camp indicated the intention of this discussion is to go over her final language to ensure it is consistent with what the board wants.

Ms. Gagné asked about the existing student housing, *The Edge*, in that District (preexisting nonconforming use) and whether or not the discussion at the last meeting included the university having a contractual relationship with *The Edge* as well or just the new development. Ms. Camp stated she did not think that was included.

Ms. Alyson Zarro, attorney for B.E.T Investments, stated she did not know that her client would have an issue with it but that it was also not discussed at the last meeting. Mr. Brian Nagle, attorney for West Chester University, stated that the university did not really have the intention to have such a contractual relationship with regard to *The Edge* but rather solely with the new development.

Mr. Hellmann stated that the way Ms. Camp laid out the issue was generally what he considered to be on target in terms of what the board would want to pursue, which is the university having some sort of formal relationship with a developer. Mr. Nagle added that the main function the university wants to add to student housing that is private owned are Residential Advisors (RAs) and Campus Police and not necessarily be the manager of the property.

Ms. Camp stated that Mr. Nagle may have to work on the language of exactly what the arrangement with the developer would look like because it would be difficult to come up with specific language unless the township knows the exact nature of the relationship between the university and a developer (B.E.T Investments in this instance). Mr. Nagle stated he thought that if himself and Ms. Zarro could review the language, it would be fairly easy to work out the details.

Mr. Walsh asked about a "Managed By" contract with the university and the developer in order to have language in the ordinance that implies more of an obligation. Mr. Walsh also about the approval process and how the township would ensure each party sticks to specific items that are their responsibility in the agreement. Ms. Camp indicated that criteria that the applicant would need to be compliant with could be built into the Conditional Use (CU) process. Mr. Purnell asked if the definition of an RA could be included in such language to which Ms. Camp responded that it could.

Mr. Walsh said such a process would satisfy his concerns. The other board members agreed. Ms. Camp stated that the "Master Plan", which was a concept that really started the overlay discussion 4 years ago, would not be applicable to such a project unless the university would be the co-applicant with a private entity and asked the board if they were comfortable with not having such a plan with a project like this and simply going by a regular Conditional Use process.

Mr. Walsh stated that it does seem like putting the cart before the horse in allowing a specific project to go forward before master planning when the original intention of this approach was to obtain a master plan. Ms. Camp agreed that it is not what she envisioned when starting this process 4 years ago. She elaborated on the master plan and the thought process behind it.

Mr. Nagle stated he thought there could be a way to ensure a master plan is followed even if a piece of land is developed prior to the master plan being put into place by ensuring it is addressed in the contract. Ms. Camp responded that she did not necessarily know how to word that in an ordinance.

Mr. Hellmann asked if there is any way the township could tie the private developer option with developing student housing to the conditional use requirement for the University to come up with a five-year plan. Ms. Camp stated she did not think we could hold a private entity to that.

Mr. Nagle stated that he thought that, if given the opportunity to sit down with Ms. Camp, the language could be drafted fairly easily to which Ms. Camp responded that she has tried and it has not been that easy. Ms. Camp stated that she really needs to know where the boards stand on this master plan concept and tying it into the ordinance.

Mr. Walsh stated that he is not a fan of doing a "one off" project without the master plan component and would rather, at this point, see the ordinance not have a student housing component and revise it later on after the master plan is done. Ms. Gagné stated she agreed with that.

Mr. Nagle reiterated he would like an opportunity to sit down with Ms. Camp and Ms. Zarro in order to come up with a mechanism in the ordinance that would get the board more comfortable with the issue they are struggling with at the moment. Mr. Hellmann said what the board really wants is for the

university to have some obligation with regard to the master plan to which Mr. Nagle responded by acknowledging his concern.

Ms. Camp asked that, if hypothetically student housing was not included and if the ordinance had already passed, would the university already be developing the master plan to which Mr. Nagle responded they would in fact be doing that as they already have projects they have put on hold for this process. Ms. Camp indicated that one solution could be to have the university and the private entity be a co-applicant on a master plan that could be done right away. Mr. Nagle stated that he would have to speak with his client (the university) but that he did not think it would be that big of a deal to ramp up the master plan effort quickly since the university does have projects they want to see get done. He also stated he did not think that B.E.T necessarily has to be a co-applicant since it fits into what they are trying to do anyway.

Mr. Hellmann asked Mr. Nagle if he knew how long the master plan concept would take to go through. Mr. Nagle responded that, although he has never been through such a process before, he would guess it could be done in 6-8 months if they really pushed it forward.

Ms. Stuntebeck stated that this effort has been going on for several years and it is important to get some answers out of the university and B.E.T as far as the master plan and management agreement before moving forward. Mr. Nagle asked Ms. Stuntebeck if she was saying that she would like the master plan to be worked out in the ordinance prior to B.E.T being able to build to which Ms. Stuntebeck responded that it is in fact what she was saying. Mr. Nagle stated he thinks they can work on getting the master plan component into the ordinance.

Mr. Walsh elaborated on what he believes the process should look like going forward and stated he believed the ball is in B.E.T and West Chester University's court and that the effort has to be put into them coming up with language that brings the master plan into the fold before building can commence. Ms. Zarro indicated she understood.

Mr. Hellmann asked if there should be a discussion of the size of the PUC area allowing student housing or if it should be tabled. Mr. Walsh stated he thought that conversation could be tabled until another date.

Mr. Nagle asked, just to be clear, if this will not be on an agenda again until all attorneys have had a chance to get together and work on the language to present something to the board about what was discussed to which Mr. Walsh replied that this was correct based on the conversation tonight.

Approval of the Bills to be Paid from Township Funds

Mr. Walsh asked for a motion to pay the bills from various township funds. Ms. Stuntebeck made a motion to pay the bills. Mr. Purnell seconded. After being prompted by Mr. Walsh to explain why bills are being paid twice a month now, Mr. LaLonde stated that it will greatly reduce the number of manual checks needed for bills that simply cannot wait another few weeks to get approved at a township meeting.

Ms. Swart asked about the Morning Call subscription and why the township received this newspaper. Mr. LaLonde stated that the township subscribes to a number of periodicals in the region in order to stay informed. Ms. Swart also asked why Timothy Off had to come fix a plumbing issue, which she deemed minor, at the township complex rather than it being handled in-house to which Mr. LaLonde stated that they were not minor repairs and a plumber was needed. Ms. Swart also inquired about a \$41,000 utility truck replacement and wanted to know what happened to the vehicle being replaced. Ms. Swart asked if it was known how much the trade-in was worth to which Mr. LaLonde replied that he did not know at this time. He also stated that the vehicles do not have to be bid when purchased on CO-Stars (PA purchasing site for local governments).

Ms. Swart asked about \$3 million worth of masks bought by Chester County and why the township was spending money on masks. Mr. LaLonde stated that none of those masks were allocated for general use such as in the township and were reserved for first responders and hospitals.

Ms. Swart inquired about the bills being paid to Carroll Engineering and what constitutes general fund versus capital reserve fund as far as where the money comes from. Mr. LaLonde stated that paving program items and inspections come out of general fund usually and that capital reserve is mostly stormwater-related. Ms. Swart asked specifically about Ravens Lane and the costs still being incurred with Carroll Engineering. Mr. LaLonde stated that we have full-time inspections due to the complexity of the project. Ms. Swart also wanted to know why a line-item in the budget named "Road Construction Materials" contained Carroll Engineering bills to which Mr. LaLonde replied that the phrase was a "catch-all" for engineering with regard to road projects we do.

Ms. Swart asked about the new elementary school and the Woodlands at Greystone bills. Mr. LaLonde stated that the township has never charged the school district for permit fees since it is tax money regardless of which entity and that the Woodlands at Greystone bills were for sewer laterals which, in turn, are billed to NV Homes.

Ms. Swart asked about another engineering expense before asking why a lot of this engineering work cannot be handled in-house. Mr. LaLonde and Mr. Davis indicated that it is too much work and that we would need to have multiple in-house engineers to do all the work.

Ms. Swart asked about Boot Road and why there are so many bills but that nothing seems to be getting done there. Mr. LaLonde indicated that PennDot keeps changing plans and asking for more information and it cost money every time PennDot comes back with new requirements.

Ms. Swart asked about the Carroll bills as well as our bills in general with regard to our internal auditing process to make sure the township is not getting overbilled. Mr. LaLonde stated that all invoices are reviewed by specific department heads. Mr. Davis stated that the financial software is such that it internally tracks who is approving which invoices.

Ms. Swart revisited the trail issue on the Woodlands at Greystone property and stated she did not believe the trail could be HOA-only and that the township will probably have to take on the trail responsibility. Mr. LaLonde stated that this was discussed in the Conditional Use (CU) process and it

was decided the township did not want to take on that maintenance responsibly. Ms. Camp indicated it would be impossible for the HOA to identify who is using the trail to ensure it is residents only versus the general public.

Ms. Swart stated that she believes the HOA will try to stop the public from using it in the future and that she thinks it is going to be a problem. Ms. Camp said that, within the township open space to be dedicated to the township in Greystone, there will be a vast trail system for the public as well.

On the motion to pay the bills, the full vote of the board passed 5-0.

Public Comment

Mr. Purnell inquired about the annual car show that is usually held in Community Park and was cancelled last year due to COVID-19. Mr. Purnell wanted to get the board's opinion on having it this year. A discussion ensued on that point. It was decided that, since it is outside and COVID-19 protocols were being followed it would be ok to move forward. Mr. Purnell thanks the other board members and said he would tell the car club they can proceed.

Ms. Stuntebeck asked about summer activities taking place this year to which Mr. LaLonde responded that the township is planning on it at this point.

Mr. Hellmann inquired about the "Job Opportunities" section of the new website and when there would be jobs posted. Mr. Davis said he was hoping by the end of the week.

Mr. Purnell made a motion to adjourn. Seconded by Mr. Walsh. On the full board vote, the motion to adjourn passed 5-0.

Meeting was adjourned at 8:07 PM.

Respectfully Submitted,

Derek Davis
Recording Secretary