

OFFICIAL MINUTES November 2, 2020

The Regular Meeting of November 2, 2020, of Council for the Borough of Kennett Square was called to order at 7:15 p.m. via Zoom Video Conference with President Mercomes in the Chair.

ROLL CALL

Present: *President Brenda Mercomes*
Councilmember Ethan L. Cramer
Councilmember J. Douglas Doerfler
Councilmember Rosa Moore
Councilmember LaToya Myers
Councilmember Peter L. Waterkotte
Councilmember Mayra Zavala

Mayor Matthew W. Fetick
Borough Manager Joseph C. Scalise

President Mercomes stated that Council held Executive Sessions on Wednesday October 28th and this evening regarding a real estate matter.

ADOPTION of AGENDA

It was moved by Councilmember Waterkotte to amend to the agenda to authorize the signing of a Letter of Intent to purchase 600 South Broad Street, currently owned by Genesis and to begin a due diligence period and finalize the terms of an agreement of sale; seconded by Councilmember Cramer.

It was moved by Councilmember Doerfler to amend the agenda to consider the hiring of Robert Moran as the new Public Works Director; seconded by Councilmember Moore.

President Mercomes called for the vote on the amendments and adopt the agenda.

The motion carried unanimously.

CONSENT ITEMS

President Mercomes announced that the following Consent Items are deemed accepted with the approval of the agenda:

- Approval of Minutes – October 19, 2020
- Approval of Bills

PUBLIC COMMENTS

Councilmember Cramer welcomed those that logged on to the meeting to hear the update on concerns about the Fire and EMS Regional Commission and Kennett Fire Company Number One's (1) EMS. He commented that he will continue to take a strong position on this issue that the Commission is necessary to the long term well being on our Kennett Fire Company. This fire company needs a blended staff that includes support from career (paid) fire fighters and he believes the Regional Commission is the key to that because he is not confident the Borough, on its own, can support that need. Councilmember Cramer shared that his decisions on the Commission were made to ensure the Commission is in place to support our fire company on a larger tax base than we otherwise would be able to manage. He believes that Kennett Township is considering naming Longwood Fire Company as the EMS service provider in the half of Kennett Township that is now the territory of the Kennett Fire Company Number One, which he considers to be a big setback. Councilmember Cramer shared that these fire companies have found ways to cooperate around EMS and have done an extraordinary job of finding common ground. He noted that Kennett Township is aware of his objection to their plan.

John Thomas, 406 South Broad Street, wished Borough Manager Scalise good luck in his new position. Mr. Thomas suggested that this is a historic evening because the Borough is saving a historic building by purchasing 600 South Broad Street and he believes it to be a great thing for the Borough to have the Borough Hall and the Police Department in the same building. He would like to see solar installed on the building and suggested separating the electric for the various spaces. In regard to the Fire and EMS Commission issues, Mr. Thomas suggested that we cannot trust Kennett Township because they are building all around the Borough, which means we are going to have to use our police force and fire company to take care of everything and suggested we will not get paid for it.

Lynn Seligman, President of Kennett Area Community Services (KACS), 136 West Cedar Street shared that the Board is looking for a new home for the organization because they have outgrown their current location. Ms. Seligman shared her belief that KACS should remain in the Borough because the majority of their participants would struggle to get to the food cupboard or to get help with emergencies if KACS were to move out of the Borough. She would like the Borough to consider donating or offering a long-term lease for the Annex building at 600 South Broad Street so that KACS can continue their work.

Leah Reynolds, Executive Director of KACS at 136 West Cedar Street, advised that KACS had over 16,000 people come to the food cupboard this year, which is a higher rate of than ever before and their Emergency Assistance Program has paid out over \$555,000 to help families remain in their homes during this pandemic. She also feels that it is critical for KACS to stay in the Borough and continue to be a place that families can walk to, so they do not suffer the kind of insecurity that poverty brings. Ms. Reynolds thanked everyone for their donations of food and money. She wished Mr. Scalise the best of luck and thanked him for being a great partner.

Charla Watson, 523 Magnolia Street. commented that we need to go back to in-person public meetings even though we are in a pandemic. She feels that we have large enough facilities in town that could accommodate Council meetings in person with social distancing and people wearing masks and that meetings are more effective when they in person. Ms. Watson shared that she does not agree with the street closures uptown, noting for instance that this past weekend, there was nothing going on, but the streets were blocked anyway, which is an inconvenience to the taxpayers. She also complained about the wooden parklet and the tents because they encroach upon street parking. Ms. Watson shared her concerns over the possible purchase of the building at 600 South Broad street for a variety of reasons, including the cost and infrastructure issues like plumbing and asbestos.

Carrie Freeman, CEO of the United Way of Southern Chester County, spoke in favor of the Borough helping KACS find a permanent home at the 600 South Broad Street property that the Borough is planning to purchase. She shared that KACS is valued in the community and people in need would be lost without the services they provide.

Lenda Carillo, Board Member of KACS, echoed what was said by Carrie Freeman and Leah Reynolds. She shared that the number one issue of low-income families is transportation and if KACS has to move out of the Borough, it will be very difficult for families to access the food cupboard and other services KACS provides.

REPORTS

PRESIDENT'S

President Mercomes did not have a report.

FINANCE COMMITTEE

Councilmember Waterkotte reported that the Committee met this morning, Monday, November 2, 2020 at 9:00 a.m. He shared the Committee:

- Reviewed bills and monthly financials
- Discussed paying off the parking fund loan and other debt
- Review and discussed the 2021 budget presentation
- Recommended the approval of the water/sewer master planning for 2021

PERSONNEL COMMITTEE

Councilmember Doerfler reported that the Personnel Committee met on Sunday, October 25th for an executive session. He noted that the Personnel Committee will meet this Thursday for their regularly scheduled meeting and will report on that at the next Council meeting.

REVOLVING LOAN FUND (RLF) COMMITTEE

Vice President Rosa Moore reported that the Committee met October 14th to discuss the final pending loan application and moved to go forward. She shared that all pending loans have been closed.

PRESENTATION – PROPOSED 2021 BUDGET PRESENTATION

Borough Manager Scalise began his presentation on the proposed 2021 budget by first reviewing highlights from 2020, noting that as a result of COVID-19, expenses were cut due to an uncertainty in revenues, and capital projects were put on hold until the impacts on the revenues could be better understood. He explained that fortunately, the reserve goals for all funds were met at the end of 2019. Manager Scalise noted that as of the end of September, our tax revenue is significantly higher than we had conservatively estimated, and most funds are operating with revenues that are not critically impacted. He stated that we are retiring over \$1.6 million in debt and the interest rates on the Borough bank account balances had increased significantly in 2019 but have dropped substantially in 2020. He noted that our goals have been met with somewhat significant reserves and sinking funds on top of them.

Borough Manager Scalise commented that we expect 2021 to be much like 2020 and presented the following 2021 budget highlights: no tax increase, no increase in sewer or parking fees, water/utility fees will continue with a \$15 credit per quarter; solid waste fees will include an additional \$5 per totter per quarter credit; increased the EMS Commission contribution by 15%; replaced one vacant police officer position and added a Lieutenant position; the Public Works Assistant Director is retiring and the position will not be replaced, instead we have added an Administrative Assistant back into Public Works and hired a new Receptionist; we kept civic contributions the same and included the Economic Development Director position, prorated over ten (10) months. Borough Manager Scalise continued his presentation with 2021 projects, purchases and upgrades, engineering/consultants and debt service. The full budget presentation can be found on the Borough's website and will be further discussed again at the November 18th Council meeting.

Councilmember Myers questioned how the contributions to nonprofit agencies were broken out, whether by individual organizations with a dollar amount or as one line item.

Borough Manager Scalise explained that it is the same as last year, each organization with a dollar amount.

Councilmember Myers suggested that she would like to see the contributions in one line item since the Finance Committee has not had time to develop a process for making contributions to individual nonprofits and she would like to give them some time to do so. Councilmember Myers noted she can make that proposal when the vote comes up on the budget.

ACTION ITEMS

Zoning and Code Enforcement

STAN AB FINAL APPROVAL WITH CONDITIONS

Russel Drumheller, Codes and Zoning Enforcement Officer explained that Stan Ab October 14th Planning Commission meeting and we received plans dated October 27th with conditions for final approval from Borough Council.

It was motioned by Councilmember Cramer to give the final approval to the Stan Ab project with the conditions as presented; seconded by Councilmember Doerfler.

Councilmember Cramer commended the Planning Commission for ensuring that everything necessary was addressed and thanked the applicant for their collaborative effort and making the concessions that they did.

PUBLIC COMMENTS

John Thomas, 406 South Broad Street, shared his concern that Kennett Township is building or has proposed building with commercial included all around the boundaries of the Borough. He believes we cannot afford to give away our housing for commercial spaces.

John Jaros, Solicitor on behalf of Stan Ab, shared that this was a good working relationship with the Borough and his client appreciates the time and effort put into the text amendment and the collaborative effort. He asked Borough Solicitor Crotty to for the list of conditions.

Borough Solicitor Crotty shared the standard conditions as follows: that the applicant must obtain all necessary outside agency approvals, satisfy any outstanding items in the Borough Engineer's review letter, provide digital copies of the plans, execute the land development agreement, financial security agreement and other required agreements, pay the professional consultant fees of the Borough, post escrow funds, (also in the borough engineer's review letter); future construction of two handicap ramps on the south side of the unopened alley, and that the applicant provide a copy of any deed restrictions, easements, covenants and declarations imposed with plan.

John Rosato, 204 Ridge Avenue, asked what happens when the developer sells the project before even breaking ground.

Borough Solicitor Crotty explained that all of the conditions set forth on the plans and in the decision issued by the Borough carry over, regardless of who owns the property.

President Mercomes called for the vote.

The motion carried unanimously.

HISTORIC KENNETT SQUARE (HKS) **MOU with HKS**

Bo Wright, Executive Director of HKS, reminded everyone that the shared the economic development MOU with Kennett Borough and Kennett Township has gone to Finance Committee twice for discussion. He noted that at the last meeting, it was decided that it would be best to provide a presentation to Council to walk through the eleven (11) goals and objectives to ensure we are all on the same page and to get feedback from Borough Council. He commented that both Borough Manager Scalise and Codes and Zoning Enforcement Officer Russell Drumheller have both had a chance to review the goals and expectations and he would like feedback from Council as well. Mr. Wright presented the 11 Goals as follows: 1. Business retention and identification; 2. Provide recommendations to existing zoning; 3. Provide development analysis; 4. Create fiscal analysis for the Borough; 5. Communications with key individuals; 6. Determine Borough Council economic development priorities; 7. Coordinate with Chester County Economic Development Council; 8. Attend and offer development expertise in Borough meetings; 9. Provide ongoing small business support; 10. Manage the Revolving Loan Fund; 11. Secure and manage grants.

Councilmember Waterkotte thanked Mr. Wright for his work with HKS, for his vision, what has already been accomplished and what will come in the future. He shared that it is refreshing to have a partner in HKS to bring new ideas to the Borough.

Councilmember Myers commented that the presentation was great and shared she is really a fan of goal number 4, as she has not seen the return on investment from HKS with the parts of the community she cares about. Ms. Myers asked if the accomplishment of these goals requires an economic development

director, or if they can be accomplished in a different way. She commented that in her work, they are utilizing the benefits of temporary workers and contractors.

Mr. Wright explained that tonight's presentation is to make the responsibilities clear to all. He commented that working with contractors or temps could be helpful for mapping and other projects. Mr. Wright explained he really wants to get into alignment and be very clear on the goals and expectations before deciding if an additional person is necessary. He noted that HKS cannot accomplish all of the goals with just their current staff, but they could consider engaging a variety of contractors and independent specialists.

It was motioned by Councilmember Waterkotte to approve the MOU with HKS; seconded by Councilmember Moore.

Councilmember Myers commented that she would like Council to determine the process for municipal contributions because of the Borough's limited resources. She expressed her personal opinion that the economic development position has not worked out, but she likes what Mr. Wright has laid out going forward. She noted that since the MOU is tied to a position, and because the partnership with Kennett Township did not work well, she will not support the MOU.

Councilmember Moore commented that she is in support of the MOU because she believes it is important to have that kind of business perspective and that there is value in having a third-party view. She shared that as she listened to the Mr. Wright's presentation, it does seem like a consultant position.

Councilmember Cramer noted he is in strong support of the direction of evidence-based community development but commented that he does not see priorities in the MOU that are really important, such as housing at every price point. Councilmember Cramer shared that he will not support the MOU, but explained he is very supportive of the positive and fresh perspective from HKS and that his staff is extraordinary. He commented that he would much rather hold off the economic development director position and use that money in a different way because the MOU is tied to the position.

Councilmember Doerfler commented that we also need to consider as we look at the agreements with the Township, that we need to get past the EMS issue with Kennett Township as well. He shared he would be comfortable holding off on the MOU at this time.

Mr. Wright commented that if the MOU is delayed because of issues with Kennett Township, he would understand, but asked again for direction and feedback from Council on the 11 priorities. He suggested that it could be determined that Council is interested in working on just eight (8) of the eleven (11) priorities, that is a conversation we are willing to have.

Councilmember Waterkotte agreed that we need to hold off on the MOU, but commented that we are very supportive of the direction HKS is headed and he would like to get to a point where we can all be on the same page regarding the priorities and be able to move forward with this partnership.

President Mercomes noted that looking at the eleven (11) goals and seeing that other Councilmembers are highlighting goal number four (4), she sees the ability to drill down to a smaller number of goals with larger impact.

PUBLIC COMMENTS

John Thomas commented that this was one of the better presentations he has seen. He would like to make sure that HKS works for the Borough as the top priority and that HKS should go into a partnership with the merchant's association. He believes HKS's focus should only be on the Borough and they should keep us informed on what is going on around the Borough and what is good for the Borough.

Charla Watson commented that when you do community development, you should have had a comprehensive plan or a strategic plan but the data that is steering this data did not come from the Borough residents. Ms. Watson believes we are following a prescription to something that another municipality drafted and believes it should be scrapped and we should start over from the beginning. She feels there should be more community participation.

President Mercomes called for the vote.

The motion did not carry with a vote of 1-6 with Councilmember Moore voting yes.

Councilmember Cramer commented that there are implications now in the vote on the budget and we will have to take that into consideration as we move forward in the budgeting process.

WINTER SUPPORT FOR BUSINESSES

Mr. Wright shared that this item is just for discussion to update Council on the ideas that are circulating around winter support for businesses, but there will be not action to take at this time. He shared that he met with Borough Manager Scalise, Rusty Drumheller a few others to discuss ideas on how to support the restaurants in town through the colder winter months. One idea was to use the micro loan program to help businesses. He shared that Mr. Drumheller has been very helpful meeting with the businesses and helping them to adapt and meet their needs as the season changes. Mr. Wright noted another idea of using the bottom floor of the new parking garage for outdoor dining because it could be easily heated. Mr. Wright noted that the street closures will continue for the foreseeable future and shared the idea that semi-enclosed parklets are possible if there is a buy in from the restaurants and HKS would need to raise money. Mr. Wright also noted that Longwood has been a tremendous partner in making the town a festive place, helping to draw people to the businesses.

HISTORIC Architecture Review Board (HARB)**HARB APPLICATION – 234 NORTH UNION STREET**

Andy Froning, HARB Chair, commented that this is a wonderful effort to return this home to its original design and has our full support.

Councilmember Cramer motioned to approve the certificate of appropriateness for 234 North Union Street; seconded by Councilmember Doerfler.

PUBLIC COMMENTS

John Thomas commented that it is a beautiful property and he would love to see it restored.

President Mercomes called for the vote.

The motion carried unanimously.

Administration**RESIGNATION OF BOROUGH MANAGER, JOSEPH C. SCALISE**

President Mercomes shared that when Borough Manager Scalise told her he was giving his resignation, she was stunned. She shared she has gotten to know Mr. Scalise well over the last few years and has a good idea of how hard he has worked for this Borough. President Mercomes wished him the best in his future endeavors.

Councilmember Doerfler noted that they receive Mr. Scalise's resignation on October 23rd and met that Sunday to talk about next steps. He will keep the public informed as they move forward.

It was motioned Councilmember Doerfler to accept the resignation of Borough Manager Joseph C. Scalise; seconded by Councilmember Zavala.

Councilmember Waterkotte thanked Borough Manager Scalise, noting he has never met anyone as dedicated and hard-working with amount of knowledge he has about this small Borough. He shared it has been an honor to work with him. He shared that we will all miss you and we thank you for your service.

Councilmember Moore offered her thanks to Mr. Scalise and shared she has leaned on him a lot during her first year as a Councilmember. She noted that his breadth, depth and wealth of knowledge is something you do not often find.

Councilmember Cramer commented that Mr. Scalise has dedicated a large portion of his life to Kennett Square and he is grateful for that. He shared that Mr. Scalise he is leaving us with many projects that he has heled get going which he thinks will help attract a new Borough Manager to come in and pick up where Mr. Scalise left off. He thanked Mr. Scalise for his service.

PUBLIC COMMENTS

Andy Froning shared his appreciation for all of the help Borough Manager Scalise has given him in his various roles within the Borough over the years and wished his best of luck.

President Mercomes called for the vote.

The motion carried unanimously.

RESOLUTION for MINORITY-, WOMEN-OWNED and OTHER HISTORICALLY DISADVANTAGED BUSINESSES

Vice President Moore explained that this is a draft resolution to include historically disadvantaged business in our bidding process by creating a registry of these businesses. This Resolution has gone through the Personnel and Finance Committees, has had input from staff and Borough Solicitor Crotty has done a lot of work on it and the application.

It was motioned Councilmember Zavala to approve the Resolution for Minority-, Women-owned and other historically disadvantaged businesses; seconded by Councilmember Myers.

Councilmember Cramer commented that Councilmember Moore did a great job moving this project forward and we have worked well together, the Resolution has gone from committee to committee to the lawyer and now we have the opportunity to vote.

Councilmember Myers thanked Councilmember Zavala for bringing this up during a time when our country was experiencing a new awakening of thinking through issues and pushing boundaries.

Councilmember Zavala shared she could not be happier to see this come through in such a collaborative way. She noted that now that we have the resolution, we will want to put together some kind of press release, get it out on social media and the newspapers.

PUBLIC COMMENTS

There were no public comments.

President Mercomes called for the vote.

The motion carried unanimously.

APPOINTMENT OF ROBERT MORAN

Borough Manager Scalise shared that we advertised for the second time a month ago. We created a committee of the Assistant Director of Public Works, John Vernon, himself and Denise Rodriguez who will be the who is the new public works administrative assistant. We reviewed the applications, conducted the interviews, made a selection, sent out offer letter, reviewed references and did all required screenings. He noted that now our recommendation is here before Council. Robert Moran would like to start next Thursday, November 12th.

It was motioned by Councilmember Doerfler to hire Robert Moran as the Director of Public Works; seconded by Councilmember Moore.

PUBLIC COMMENTS

There were no public comments.

President Mercomes called for the vote.

The motion carried unanimously.

AUTHORIZATION OF LETTER OF INTENT to PURCHASE Property on S. Broad

It was motioned Councilmember Cramer approve the Letter of Intent; seconded by Councilmember Zavala.

Councilmember Cramer commented this is an extraordinary opportunity for the Borough and will make an enormous impact on the Borough. He thanked John Thomas for suggesting the idea.

Councilmember Waterkotte noted we have an opportunity to create a legacy that will be part of the Borough years into the future. He believes it is a great location and the possibilities for the building are endless. He shared his excitement and is happy to partner with Genesis and negotiate with them to move forward.

Borough Solicitor Crotty summarized the Letter of Intent as dated November 2, for 600 South Broad Street, purchase price of \$7.2 million. He noted there is a deposit, but that will not come into play until the definitive agreement comes into place, the agreement of sale. He explained we have 30 days from this point to work towards an agreement of sale, which would latter come before Council for approval. He further explained that after that point we have an additional due diligence period after the agreement of sale is executed. He noted that the closing would be no later than 120 days following the definitive agreement.

Councilmember Doerfler shared his excitement with this opportunity. He commented that it gives a huge piece of property to the Borough puts it in our control as opposed to letting the property go onto the open market and developers. He looks forward to great things happening on that property.

President Mercomes noted that it will be great to have the Borough Hall and the Police Department in the same building. She commented that 600 South Broad Street is a beautiful building and it will be wonderful home for the Borough.

Mayor Fetick commented that it is a wise choice for us to purchase one of the largest parcels in town with parking, consolidating municipal services and we will figure out what the rest of the building will become. This price is less than what it would cost to build a new building and the cost of borrowing the money is going to be the lowest we have ever seen. He is excited that Council is taking this step and he believes it will be the one that we will all look back to 10-15 years from now and say it was the right time and the right opportunity.

PUBLIC COMMENTS

John Thomas commented that if we get the property, we should put it on the historic registry immediately so that it cannot be altered in the future. He does not think the Borough should separate the property, but possibly give a long-term lease at a discount. He believes it to be a great property and suggested having an open house for the public. Mr. Thomas also suggested make it the town center and adding a Veteran's Memorial.

Andrew Froning commented that he agrees with this purchase by the Borough and suggested that we make sure the current Borough building is preserved as well.

Charla Watson suggested that a team of professionals should look through the building before you go consider anything further. She caution Council on the liability of other organizations using the building.

President Mercomes called for the vote.

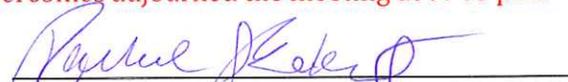
The motion carried unanimously.

COUNCIL, MANAGER and MAYOR COMMENTS and ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

There being no further business, President Mercomes adjourned the meeting at 9: 48 p.m.



Rachel J. Berkowitz, Borough Secretary