

OFFICIAL MINUTES SEPTEMBER 17, 2018

The Regular Meeting of September 17, 2018, of Council for the Borough of Kennett Square was called to order at 7:00 p.m. in the Monroe Nute Room of the Kennett Fire Company No. 1, 301 Dalmatian Street, Kennett Square, Pennsylvania with President LaToya M. Myers in the Chair.

ROLL CALL

Present: *President LaToya M. Myers*
Vice President Ethan L. Cramer
Councilmember Wayne Braffman
Councilmember J. Douglas Doerfler
Councilmember James Mallon
Councilmember Brenda Mercomes
Councilmember Peter L. Waterkotte

Mayor Matthew W. Fetick
Borough Manager Joseph C. Scalise

ADOPTION of AGENDA

It was moved by Councilmember Braffman and seconded by Councilmember Waterkotte to approve the agenda.

It was moved by Councilmember Doerfler and seconded by Councilmember Braffman to amend the agenda by adding a discussion on the heels of Item #7 targeting Council's views on commercial versus residential as it relates to new development projects. Motion to amend the agenda carried unanimously.

Approval of the agenda as amended carried unanimously.

PUBLIC COMMENTS

John Thomas, 406 South Broad Street, commented about the Kennett Fire and EMS Regional Commission stating his belief that we should not be working in cooperation with East Marlborough and Kennett Townships and ambulance services should remain in the Borough. He said the public should be aware of, and have input to, any votes made by the Commission. Mr. Thomas said to let the emergency service providers handle this matter and not the government. In addition, he commented we need to start taking care of our own and suggested that a percentage of the net proceeds from special events in the Borough be paid to the Kennett Fire Company and perhaps have a festival to solely benefit the Fire Company. Plus, the Fire Company has to do their part to raise funds and come up with a plan that works instead of just asking for more money.

Myra Miller, 301 Scarlett Avenue, asked if there could be more information easily accessible on the Borough's website such as a list of all of the boards and commissions and their meeting dates and times.

CONSENT ITEMS

President Myers announced that the following Consent Items are deemed approved if there are no objections.

- Minutes of September 4, 2018.
- Bills that were paid since the last Council meeting.

There were no objections.

REPORTS

PRESIDENT'S REPORT

At the request of President Myers, Vice President gave an update on the **Kennett Fire and EMS Regional Commission**.

Vice President Cramer advised Kennett Township Supervisor Scudder Stevens plans to meet with both fire companies (Kennett and Longwood) prior to the Commission's October meeting to see if there is a path forward that would be agreeable to both fire companies. Kennett Township Manager Lisa Moore and Councilmember Doerfler will also be included in those meetings.

Mayor Fetick advised he met with the Kennett Fire Company on Thursday to get an update of their perspective and what they hope will be the outcome; he will meet with Longwood Fire Company as well.

FIRE COMPANY

Chief Christopher Plumley reported the following activity for the month of August 2018:

- Fire Calls – 29.
- EMS Calls – 85; 32 in the Borough and 39 in Kennett Township.

He continued his report by stating the Mushroom Festival was pretty uneventful and announced the Fire Company will hold their Halloween Open House in October; the date to be determined.

To touch on Mr. Thomas' comments, Chief Plumley advised Kennett Fire Company never asked for more money. They were thriving before the Fire and EMS Commission began and believes the Commission is hurting them mainly because they are the underdog by only serving one and a half (1 ½) municipalities.

Chief Plumley reported the new engine is scheduled to be completed on October 11th and will be inspected by the Fire Company's Engine Committee. Delivery will be within a few weeks after that.

POLICE DEPARTMENT

Chief William Holdsworth submitted a written report which was included in the Council packet.

FINANCE PRESENTATION

Borough Manager Scalise gave a PowerPoint presentation of the Borough's Reserve Funds and Account Trends from 2014 through projected December 31, 2018.

The Borough Manager then entertained questions from Council.

REVOLVING LOAN FUND COMMITMENT LETTERS NORTH CREEK, LLC, d/b/a MARCHE HOME APPAREL and CHEF BRETT'S, LLC, d/b/a PORTABELLOS of KENNETT SQUARE

Borough Manager Scalise stated the Revolving Loan Fund Committee recommends the approval of the terms in the commitment letters for the two (2) Revolving Loan Funds (RLF) Loan as follows:

- North Creek, LLC, d/b/a Marche Home Apparel, 123 East State Street, \$200,000, three percent (3%) interest rate, and a term of 36 months.
- Chef Brett's. LLC, d/b/a Portabellos of Kennett Square, 108/112 East State Street, \$150,000, three percent (3%) interest rate, and a term of five (5) years.

The Manager advised William Gallagher's office reviewed the agreements and Mary Kay Gerber drafted the commitment letters. Council needs to approve the terms and conditions as defined in commitment letters and authorize the Borough Manager to execute the agreements.

It was moved by Councilmember Braffman and seconded by Vice President Cramer authorize the Borough Manager to execute the two (2) Revolving Loan Fund Agreements when finalized.

Vice President Cramer questioned the number of applicants.

Nate Echeverria, Economic Development Director, replied to Vice President Cramer stating that four (4) or five (5) inquiries about the program however only these two (2) businesses submitted an application.

The motion carried unanimously.

**FUND of FUNDS AGREEMENT
FIRST STATE COMMUNITY LOAN FUND (FSCLF)**

Borough Manager Scalise presented for approval the agreement with First State Community Loan Fund (FSCLF) to administer small business loans to Borough businesses. The Borough will loan FSCLF \$125,000 at zero percent (0%) interest from the Revolving Loan Fund to be coupled with FSCLP small business loans allowing a lower interest rate for Borough businesses.

It was moved by Councilmember Braffman and seconded by Councilmember Doerfler to approve the Fund of Funds Agreement with FSCLF.

Councilmember Braffman commented the process here is important and noted the RLF Committee is proud of this concept and the ability to set money aside for these loans.

PUBLIC COMMENTS

John Thomas stated that he is in favor of lending monies to help small businesses however he questioned how the Borough is protected if the monies are not paid back.

Nate Echeverria responded to Mr. Thomas without going into details but stated both RFL loans are secured.

Motion carried unanimously.

**TRAIL EASEMENT AGREEMENT
KENNETT FIRE COMPANY NO. 1**

Borough Manager Scalise presented for approval the Trail Easement Agreement with the Kennett Fire Company No. 1. He gave a brief background on the original Trail Easement Agreement which was executed in April 2002 as the Red Clay Greenway Trail. The Kennett Trails Alliance has picked up the project and expanded the trail within the same parcel owned by the Fire Company. The trail will now extend east, approximately 300 linear feet up to the parcel own by 432 KSQ, LLC on South Walnut Street.

It was moved by Councilmember Mallon and seconded by Councilmember Doerfler to approve the Trail Easement Agreement with Kennett Fire Company.

PUBLIC COMMENTS

There were no comments from the public.

Motion carried unanimously.

**PROCEED with PROPERTY DISPOSITION AGREEMENT with
CHESTER COUNTY ECONOMIC DEVELOPMENT COUNCIL (CCEDC),
MIXED-INCOME HOUSING/ECONOMIC DEVELOPMENT**

Nate Echeverria, Economic Development Director, advised one of the services the Chester County Economic Development Council (CCEDC) offers is land disposition or conveyance services related to economic development and affordable housing. He noted Borough Code mandates that when the Borough sells land to the public it must go to the highest bidder however, if you want to sell Borough land through some form of public-private partnership, an umbrella disposition agreement with an economic development entity would need to be in place. Mr. Echeverria advised that Borough Council is not approving anything tonight but instructing staff to proceed with drafting an agreement.

It was moved by Vice President Cramer and seconded by Councilmember Waterkotte to instruct staff to proceed with structuring an umbrella land disposition agreement with CCEDC.

Mr. Echeverria clarified items for Borough Council and also answered their questions.

PUBLIC COMMENTS

Lucy Oblonsky, Board Member of the Kennett Area Community Service, urged Council to strongly go forward with this to help support affordable housing needs in our community, especially for those who are the most vulnerably impacted such as the elderly and disabled. She shared two (2) stories of elderly couples who can no longer afford a car or have become homeless because of the rising cost of housing. Ms. Oblonsky commented affordable housing is becoming scarce and their organization is assisting 55 people who have become homeless. Many seniors are living on the edge and Luther House has a two (2) year waiting period. She asked Council to add a sense of urgency these matter.

John Thomas stated that he is totally opposed to this and feels this will benefit the developer and not us. He commented we have a lot of housing that is affordable but we need housing for seniors; the 23 acres at the NVF property could contain all senior housing.

Tony D'Ottavio, 516 East South Street, commented the biggest reason the seniors are getting run out of their homes is because of the school taxes and he believes seniors should receive break on their school tax. He added young people are coming into the Borough because we have good education.

Clara Saxton, 120 West Linden Street, said she understands this provision applies only to the land the Borough owns and cautioned that when it hits the CCEDC at no point they can impose eminent domain against any other property owner other than the Borough. She also urge Council to be cautious when this is drafted because she speaks with builders who think \$350,000 is affordable housing and that is not true.

Ken Edwards, 412 Meredith Street, commented this is a very slippery edge of being emanate domain.

Motion carried unanimously.

AMENDMENT to the AGENDA

It was moved by Councilmember Doerfler and seconded by Councilmember Waterkotte to remove the discussion item of Council's views on commercial versus residential as it relates to new development from tonight's agenda. Motion carried unanimously.

COUNCIL, MANAGER and MAYOR COMMENTS and ANNOUNCEMENTS

Councilmember Doerfler commented a lot of what was said tonight did come from Municipal Relations Committee. It is an advisory committee with no legal binding with the developers. In some conversations with developers and the Planning Commission Chair this week it seems developers would like a little bit more clarity and direction on the front end. He asked Council to ponder whether or not they want to establish priorities for development proposals that may come before the Municipal Relations Committees.

Mayor Fetick reported there was pretty strong whiplash when the Mushroom Festival's events for Sunday was cancelled so early on Saturday. The event organizer made the best decision to cancel after receiving the severe weather bulletin from Chester County Emergency Services and he supported their decision.

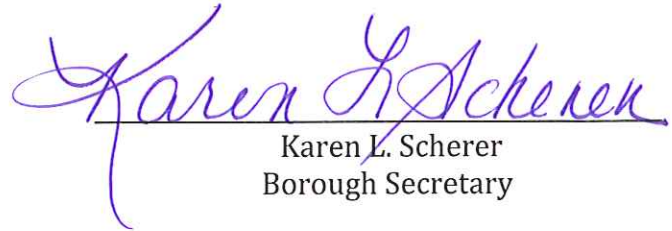
Borough Manager Scalise reported as we are preparing next year's budget, he is reaching out to all of the committee chairs, Council and the Mayor to see if there are specific items they would like to see in the 2019 Budget.

He also reported on a meeting he attended hosted by Chester Water Authority (CWA) about the Aqua's pressure to buy their system. It is a big concern for CWA and a huge concern for us as it will likely double our costs. Currently we purchase approximately \$250,000 of water annually from CWA to supplement our own wells. The City of Chester has been given a plan form the state to get out of the financial crisis and one of the options is to sell their water system. The Manager advised he has contacted Senator Killian and Representative Barrar - they are aware of the situation and sent representatives to the meeting and are doing everything they can from keeping the sale from happening.

Mayor Fetick commented this is very critical and we must fight it. Chester Water Authority is a phenomenally run authority and he believes they have the lowest base rates in the state. He noted that every water or sewer facility Aqua has purchased in Chester County has doubled their rates.

ADJOURNMENT

There being no further business, President Myers adjourned the meeting at 8:23 p.m.



Karen L. Scherer
Borough Secretary