

**MINUTES OF THE BOARD OF SUPERVISORS
OF KENNETT TOWNSHIP
Kennett Township
801 Burrows Run Road
Chadds Ford, PA 19317**

**October 28, 2019
SPECIAL MEETING**

Chairman Stevens called the Special Meeting of the Board of Supervisors to order at 7:00 p.m.

Present: Chairman, Scudder G. Stevens
 Vice Chair, Dr. Richard Leff
 Supervisor, Whitney S. Hoffman
 Township Manager, Eden R. Ratliff

PROPOSED ORDINANCE 288-TERMINATING SIMPLE IRA CONTRIBUTIONS
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Township Manager Ratliff presented proposed Ordinance 288 which if adopted, would terminate the Townships currently in place Simple IRA plan. Ratliff reported that a simple IRA plan is not in compliance with the Federal Tax Code for municipal governments. Since the IRA plan was enacted by Ordinance, its elimination must be by Ordinance as well. Ratliff noted that the Board has signaled an interest to put in a compliant comparative plan. Ratliff reported that the reason for the Special Meeting is that the Ordinance must be passed and notice be given to employees at least sixty days prior to effective cancellation date of the plan which would be the end of the year noting that by time the documents were ready in time for advertisement for the last public meeting and there was not enough time to wait until the next public meeting in November.

Ratliff reported that the Ordinance was reviewed by legal counsel and was advertised accordingly in the Daily Local News as was the notice for the special meeting.

Supervisor Hoffman made a motion to adopt Ordinance 288, terminating simple IRA plan on behalf of Township Employees. Vice Chairman Leff seconded the motion.

Discussion:

Chris Burkett asked when the Township went out of compliance. Ratliff responded that the Simple IRA plan was never in compliance for government employees and should never have been put in place. Ratliff noted that it has been in place for a number of years. Stevens noted that it was put in place at the latest, early 90's.

Chris Burkett asked if there is any penalty. Ratliff responded no, the Township has been in contact with the IRS and they do not appear to penalize the Township and that there is ongoing communications with the IRS.

Chris Burkett asked if there is any impact to the Township employee's funds in their accounts. Ratliff responded no.

Monica Moxon asked when this problem was identified. Ratliff replied that it was identified over the summer.

Monica Moxon asked why a special meeting. Ratliff responded with the specific timeline and advertising requirements that needed to be met. Ratliff noted that he covered the information at the last public meeting in his manager's report but had to follow the procedures of a special meeting since it needed to be advertised.

Monica Moxon asked if the old and new plans would be comparable. Ratliff responded yes, they will be comparable. Monica Moxon asked if the new plan will be similar to what others have in Chester County. Ratliff responded yes the 457B plan will be comparable.

Chris Burkett asked if the Township makes a matching contribution. Ratliff responded yes, it is a cap match of up to 3%.

Ratliff commented that other than cost of legal counsel to advise and cost of advertising, there is no additional costs to the Township. Stevens noted that there is a defined pension plan administered by PMRS that is separate to this.

Motion adopted unanimously.

PUBLIC COMMENT

Lou commented asking why it is that every time he wants to go to shopping he needs to leave the Township noting that there is no viable retail in Kennett Township and it is up to the Township Supervisors to court business. Ratliff responded that the Township is looking at the entire Zoning Code to make sure the code signals that the Township is open to specific development and business. Leff responded that the Supervisors recently passed a Transfer of Development Right Ordinance and hired a joint economic development director with the Borough to help promote smart growth in specific areas of the Township.

ADJOURNMENT

Supervisor Hoffman made motion to adjourn.

Vice Chairman Leff seconded the motion.

Motion adopted unanimously.

The meeting adjourned at 7:13 p.m.

Respectfully submitted,
Michael O'Brien
Recording Secretary