

FARMLAND PRESERVATION, INC.  
MINUTES – MARCH 22, 2022

The regular meeting of the Lower Makefield Farmland Preservation, Inc. (Farmland) Board of Directors (Board) was held remotely on March 22, 2022. Mr. Blank called the meeting to order at 7:30 p.m.

Those present:

Farmland Preservation, Inc.: Michael Blank, President  
Dennis Steadman, Vice President and Acting Secretary  
Daniel Bankoske, Treasurer  
Sean Carney, Member  
George Heinze, Member

Absent: James McCartney, Supervisor Liaison

APPROVAL OF MINUTES: Mr. Steadman

Mr. Steadman moved, Mr. Heinze seconded and it was unanimously carried to approve the Minutes of February 15, 2022 as written.

TREASURER'S REPORT – INVESTMENT ALLOCATION REVIEW: Mr. Bankoske

A print-out from the Fidelity Website was shared. Fidelity is used to manage all investments. In 2019 money was first contributed to the new Fidelity account, and in July 2020 the remaining assets were moved from Vanguard. Appreciation and performance in the Funds were shown. Both the Managed Account and Cash Account were shown. Since inception to date the Managed Account grew 10.96% and year-to-date 4.92%. The account performance was 4.89% compared to the bench-mark of 4.02%; and that benchmark is a stock allocation of 60%. The account's current allocation is 60% stock/40% bonds. Because the asset allocation change to 60/40 was made last June part of this overperformance is because the account was more heavily weighted in stocks. The S & P gain over that same time period was 16%. The discussed files are in the 'Meeting File' for Board review.

Information was shown for the Investment Account with regard to beginning balances, market change, appreciation/depreciation, cash inflow, dividends and interest, deposits, contributions to the accounts and withdrawals. The rent deposits and the regular withdrawals for expenses were not shown as these occur in the Cash Account. A \$20,000 withdrawal from the Investment Account last year was to replenish the Cash Account for expenses.

Current Asset Allocation was shown. In June of last year, the allocation was changed from 70% stocks to 60% stocks with the balance in bonds. The Board had a lot of discussion when this decision was made to change from 70/30 to 60/40. When it was 70% stock it was under Fidelity's classification as a Growth Portfolio; and when it was changed to 60%, Fidelity's

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classification is ‘Growth with Income.’ When the Vanguard account was self-directed, it was approximately 80/20 stocks versus bonds. Over the last three years, there was a general consensus of the Board to decrease the risk in the portfolio as there could be situations where there would be need for meaningful expenditures, as well as a general upward trend in year-to-year spending due to maintenance of aging property lines. Thus, the Board wanted to be more conservative and reduce risk as this is a non-profit with perpetual responsibilities.

Mr. Heinze noted the recent change in the interest rates, and asked how that might impact our desired allocation between stocks and bonds. Mr. Bankoske stated the Board decided that Fidelity would manage the Account, and they are choosing the underlying investments based on general guidance from the Board. The Board had gone through a series of questionnaires with Fidelity reviewing income, expenses, and risk tolerance. Based upon those answers Fidelity recommended a 60/40 asset allocation which the Board agreed to. Mr. Bankoske stated he does not feel we should be making changes based on shorter term market movements, and Fidelity will do that on our behalf. He stated at this point in time the allocation is actually 65% stocks because markets are moving, and Fidelity rebalances as appropriate to get closer to a targeted allocation. He stated they are not required to keep it at 60%, and they do have leeway with a small variation based on the market.

Mr. Blank stated the Board went with Fidelity and asked them to manage the money because the Board members are part-time volunteers and are not professional money managers.

Mr. Steadman stated the Board decided to become more conservative with the 60/40 allocation because even though we have a long-term focus, there was also an emphasis on preservation of assets. He asked if Fidelity should be asked to do a re-balance given the current 65% in stocks. Mr. Bankoske stated Fidelity does that regularly, and the Board need not prompt them as they do that on a routine basis.

Mr. Blank stated he has been involved in discussions with Fidelity about his personal investments with regard to Russia. He stated Fidelity is one of the only companies that has not to date taken a stand on investing in Russia, and he sees this as a social responsibility issue. He stated that Fidelity maintains that their clients have a very low exposure to Russian stocks, however he feels it is more a matter of principal, and as a non-profit, we could add our voice that we do not feel it is right to be investing in Russia at this time.

Mr. Carney stated he does not feel Fidelity needs to hear from the Board whether or not to invest in Russia after the recent events, and he feels that is “more of a headline risk from the umbrella image of Fidelity.” He stated he assumes the numbers Mr. Blank is quoting are active holdings, and there is another side of the equation, which are passive holdings in Russia. He stated he assumes that the limited Russian holdings will stay that way and probably go down as the dollar price of those investments falls. He stated with regard to Fed decisions, which was raised by Mr. Heinze, he feels that we are likely to earn more interest on our cash as the Fed raises interest rates, but there will be a point in time when the stock market will not like the

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level of the bond market, and we will benefit from having a closer to 50/50 mix like we have now stocks to bonds as opposed to being significantly overweight one or the other.

Mr. Steadman stated these risks are why there should be a balanced portfolio and a long-term view. He stated he is satisfied with our funds being managed by professions.

Mr. Bankoske stated with regard to the question of how often Fidelity is looking at this, they made adjustments to the portfolio twice in January, twice in February, and twice so far in March. He stated prior to that it was twice in December and once in September, October, and November. Adjustments were made three times in July of 2021. Mr. Carney stated with regard to those changes and any re-balancing that is done, it is being done within the “equity sleeve” and the “fixed-income sleeve,” but they do not have the ability to change the mix of 60/40, and Mr. Bankoske agreed. Mr. Blank stated there could be a plus or minus 5%, and Mr. Bankoske agreed.

Mr. Bankoske stated he feels this should be reviewed by the Board twice a year, and the Board agreed. Mr. Blank agreed to list this again on the September Agenda. Mr. Bankoske was thanked for the work done on this review. Mr. Bankoske stated we have been with Fidelity for close to three years, and there were two formal discussions with them around our asset allocation strategy, and they do reach out on a regular basis. He stated he feels Fidelity will probably reach out at some point over the summer to re-confirm our strategy. Mr. Blank stated he feels there is a minimum of a yearly review and sometimes twice a year.

UPDATE ON CORCORAN LANDSCAPING WINTER JOBS: Mr. Carney

Matt Corcoran Landscaping was contracted for ten winter days with approximately eight hours a day to do the winter projects. These projects are laid out in the spreadsheet in the shared file. Mr. Carney stated he is meeting with Mr. Corcoran on Thursday morning to go over some items. At 1491 Heather Ridge Drive at Heather Ridge, 3 dead and dying trees were cut down. Mr. Bankoske stated he looked at the site on Sunday, and the trees were cut down close to the ground, but the stumps were not ground out; although he does not know if we had an expectation that they would be ground out. Mr. Carney stated the stumps were not discussed; and he could ask Mr. Corcoran to have them ground out. Mr. Bankoske stated he feels they look fine as they are. They are on a slight slope; on the back side they are probably a couple inches off the ground, and on the front side it is possibly 6”. Mr. Steadman asked if that would be a hazard or inconvenience for mowing or trimming in the area, and Mr. Bankoske stated he did not believe so. Board members were asked to look at the area and contact Mr. Carney if they feel stumps should be ground out. This would involve some additional time by Mr. Corcoran.

At 1775 to 1777 Greenbriar Court, Farmview I the buffer clean-out behind those homes has been done, and Corcoran Landscaping spent a lot of time on that Farm cleaning up some problem areas of which the Board is well aware. Many truckloads of material had to be

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removed, and more time had to be spent there than originally thought. Mr. Carney stated he and Mr. Bankoske walked the Farm, and it looks very good. Mr. Bankoske stated there were positive reactions from two homeowners in that area.

At 1449 Heather Ridge Dr. the buffer area behind the home has been addressed and has been cleaned out. Corcoran Landscaping spent a lot of hours cleaning up, elevating tree limbs and cleaning the buffer area. Mr. Carney stated we are a little short on time because of the amount of time that had to be spent here and some add-ons that Mr. Corcoran was given.

Mr. Carney stated they did not get to Makefield Brook and Brentwood Road where the buffer area needed some attention from overgrowth, and he feels we will either have to pay to have this work done at summer rates, or it could be the first job to be done in the winter. Mr. Steadman stated there have not been neighbor complaints; and unless there has been a change, he feels it can wait until the winter. He agreed to walk the property in the next month to make sure that is accurate.

Near the corner of Dolington and Fairfield Roads at Beth El, the project was to clean up the vines hanging from the tree in the field, and that job has been completed and Corcoran did a good job.

The Leedom's buffer has not been touched, and Mr. Carney is negotiating that one. With regard to the Stackhouse Farm buffer, that was not done, and will not be done. Sunnyside Lane was completely cleaned up, and Corcoran did a very nice job going beyond what had been anticipated. Mr. Carney stated the reason that Leedom and Stackhouse were not touched was because 1491 Heather Ridge had been added as there was tree work that needed to be done there. He stated the neighbors had a large tree taken down that was discussed months ago, and they had some additional work that needed to be done. Board members had been on the site and highlighted trees that Farmland would be responsible for; and at the same time, the residents of the home wanted additional trees taken down at their own expense and to clean up the area. Mr. Corcoran finished that job yesterday including the homeowners' portion that they paid for themselves. There is additional work to be done there and Mr. Carney would like to put it on the 2023 list although it will be a lower priority given how much time was already spent there as Mr. Corcoran spent a full day on that area. Mr. Carney stated while Mr. Corcoran was on site; the farmer spoke with Mr. Corcoran and was happy to see things going on in that portion of the woods.

A very large tree has come down on Longshore behind 1473 Merrick Road and it can be seen from Dolington Road. Mr. Carney stated the Board needs to discuss what to do about this tree as there are not enough hours left for Corcoran Landscaping to take care of the tree. A rough estimate is that it will cost \$1,000 to remove the tree, and the farmers are going to need to start planting in early to mid-April.

Mr. Carney stated Mr. Corcoran indicated he could do a quick clean-up of the Leedom's Farm buffer area.

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Mr. Heinze asked if it was a different time of year when the Corcoran work was already done and a tree came down, what would the Board decide to do. Mr. Carney stated he agrees that the tree has to be removed; however, the By-Laws do not give him the authority to approve this without approval from the Board. Mr. Carney stated he did not want Mr. Bankoske to get a bill for \$11,000 from Corcoran rather than \$10,000 since only \$10,000 was allocated by the Board for the winter jobs. It will take a full day to get rid of the tree. Mr. Carney stated Mr. Corcoran was able to save the Board some money this year as he was doing work for the Township and was working for Farmland on nearby jobs which resulted in some savings.

Mr. Blank stated he understands that part of the tree is in the field and not just the buffer, and Mr. Carney stated it is in the farm and barely in the buffer. Mr. Blank stated it needs to be removed so that the Stewarts can plant. Mr. Bankoske suggested that this project be kept entirely out of the winter hours and consider it a separate side project. Mr. Carney stated there is an island of trees, and he advised Mr. Corcoran that if it makes it quicker, easier, and less expensive some of the material could stay in the island area; and Mr. Corcoran indicated that would save time and it could be done in a day.

Mr. Steadman stated he feels leaving some wood inside the woods makes sense. He asked in light of this extra, unforeseen expense of \$1,000 are there some lower priority buffer projects that should be held back. Mr. Carney stated we have already cut out Stackhouse.

Mr. Blank stated with regard to the tree, Corcoran will take all of it off the fields and leave the large material in the woods at a cost of \$1,000. Mr. Carney stated he is not sure that \$1,000 will be the exact number. Mr. Corcoran will do Leedom's and that will go up to the ten days' of work that was contracted, and the tree will fall outside of that.

Mr. Blank moved and Mr. Steadman seconded to give Corcoran the go-ahead to take care of the tree when he is able. Motion carried unanimously.

Mr. Bankoske asked that if the cost is significantly higher than \$1,000, the Board should be notified and should quickly respond with their thoughts. Mr. Heinze stated he feels that it is important that this job is invoiced separately outside of the winter hours, and it would be treated as a separate invoice above and beyond what the Board had anticipated. Mr. Blank stated they could ask Mr. Corcoran for a written estimate. Mr. Carney stated he will be meeting with Mr. Corcoran on Thursday morning. Mr. Corcoran has also asked for a map of the farms and what they are called. Mr. Carney stated there are also two contracted summer days.

Mr. Carney stated he and Mr. Steadman had discussions with the farmers about the buffer areas, and Mr. Blank stated the Board could discuss this in an Executive Session. Mr. Steadman stated he felt they could also discuss it during the Spring Tour topic.

PRESERVED FARMLAND HONEYBEE UPDATE: Mr. Steadman

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The Board had approved reimbursing Dr. Strnad for the cost of two additional bee hives. Dr. Strnad reported that bees did well over the winter and are very active. He fed them on three occasions since the honey harvest last fall. Dr. Strnad has ordered two broods of bees which should arrive in April, and an invoice would then be forwarded to the Board. Photos were shown inside the honeycombs. This next season Dr. Strnad will be using a honey processor so that liquid honey can be made and not just comb honey. This project increases the pollinator population in our area that is good for all of the flora and fauna in the area. Dr. Strnad's \$10 rent check has been received.

MR. J. HIRKO'S PROPOSAL ON LONGSHORE, 1450 DOLINGTON ROAD: Mr. Blank

Mr. Hirko owns property and lives within the Longshore farm parcel, and the Farmland property surrounds his property all of which is wooded. Mr. Hirko has requested that the Board lease him an extension of his property into the Farmland woods where he would dry lumber for a business that he has recently started. This was discussed during Executive Session and the Board unanimously decided against this because it is not in keeping with the Farmland's mission of preserving farmland and open space. Operating an unaffiliated business on Farmland property is not appropriate for Farmland Preservation to support. Mr. Blank and Mr. Carney had visited the property to look into this request.

Mr. Steadman stated the Farmland Preservation property is a "no trespassing" property, and we expect neighbors to honor the fence and boundary lines. He stated Mr. Hirko has been a very good neighbor for a very long time; however, if the Board starts approving such unique understandings with one neighbor going onto the property while telling other neighbors not to go onto the property, it can become unwieldy. He stated he believes the Board has been consistent in this regard over the years with the priority being the farmers, the preservation of the farmland, and the maintenance of the buffers. He stated there are almost 200 bordering neighbors to the preserved farmland, and the Board needs to stick to its mission. Exceptions can become a slippery slope.

There was no one from the public wishing to speak at this time.

Mr. Blank moved, Mr. Bankoske seconded and it was unanimously carried to deny the request by Mr. Hirko of 1450 Dolington Road to put lumber for drying on Farmland property.

Mr. Blank will advise Mr. Hirko of the vote.

SPRING TOUR OF FARMS: Mr. Blank

Traditionally the Board has toured the farms with the farmers in the spring to look at the buffer areas, fields, erosion, trees, etc. Since each Board member has been assigned certain fields, they are more familiar with those, but not necessarily all the fields. It was discussed whether a

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tour would still be necessary this year. Mr. Steadman stated he finds it useful for the Board to walk the fields as a group and discuss any situations and share ideas to get common understandings and have a good dialogue with farmers. He added it is in this context that they could bring up the proposal for some shared maintenance on the buffers. Mr. Steadman and Mr. Carney had a discussion about this with the Stewarts, and the spring tour would be the opportunity to ask them about their decision on that, if not received earlier.

Mr. Carney stated he had further discussions with Tim Stewart as recently at twenty minutes before tonight's meeting, and Mr. Stewart will provide an answer by Thursday. Mr. Carney stated there had been a cost estimate from Mr. Corcoran in October, and a decision should be made as Mr. Corcoran would like to start on this early to keep the areas mowed down rather than getting behind with higher grass and more time involved.

Mr. Carney stated when they met with the Stewarts it was learned that Leedom's Farm will be fully farmed this year, including the area that has been in hay. There is a 1,000-yard fence line from Dolington to the back, and about 500 yards had been farmed over toward Colavita's. The County Soil Conservation staff had been out and laid out flags down to Colavita's Christmas Tree Farm which is the low point, and the Stewarts can plant the area provided they leave a 30ft wide area (15ft on both sides of the flags). Mr. Carney asked if this changes the Lease in any way, and Mr. Steadman stated he believes it would not change the lease as they rent the entire field. Mr. Bankoske stated there may be a nuance between tillable and total, and Mr. Bankoske noted on the Share Drive it indicates 68 total Ac. versus 50 tillable Ac. Mr. Steadman agreed to research this. Mr. Carney asked if they should advise Mr. Colavita about this change since this area has not been farmed for a long time. It was agreed Mr. Colavita should be advised of this, and Mr. Carney stated he will advise him.

With regard to the spring tour, Mr. Carney will advise Mr. Blank of the decision made by the Stewarts with regard to the maintenance. Mr. Blank will then reach out to the farmers about dates for a spring tour which should be done before the fields are planted. A rain date will also be considered. Mr. Carney asked that they set up a priority list of fields to be visited first in case they cannot get to all of them.

Mr. Blank stated he was advised just prior to the meeting by an e-mail from Mike Kirk that a neighbor on Stackhouse had an issue with overgrowth on the farm fence. Mr. Carney stated he would be willing to work on that area himself if given the location. He stated another option is that this could be the first project on the buffer list for Corcoran to start after a decision is made on Thursday. Mr. Blank stated he had advised Mr. Kirk that the Board would look into this. Mr. Heinze stated once he returns to the area in April, he would be willing to walk Stackhouse and start dealing with it appropriately. He stated he anticipates being home by April 3.

OTHER BUSINESS: All

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Mr. Steadman asked if there has been any information about the Torbert Farm, but nothing had been heard by any of the Board members. The Stewarts lease that land, but they did not know anything tangible either.

PUBLIC COMMENT

There was no one from the public wishing to speak at this time.

REVIEW OF ACTION ITEMS: Mr. Steadman

1. Mr. Blank – Reach out to Mr. Hirko and advise of the Board’s decision.
2. Mr. Steadman – Look into the acreage at Leedom and do calculations on tillable versus non-tillable
3. Mr. Blank – Look into dates for the Spring Tour
4. Mr. Carney – Advise Board of Tim Stewart’s answer and advise
5. Mr. Carney – Advise Bob Colavita about the change in planting at Leedom’s
6. Mr. Blank – Investment allocation to be put on September Agenda
7. All – Look at Heather Ridge tree stumps and advise Mr. Carney if they should be ground out or not
8. Mr. Steadman – Look at Brentwood Drive/Makefield Brook property

There being no further business, Mr. Steadman moved, Mr. Carney seconded and it was unanimously carried to adjourn the meeting at 8:45 p.m.

Respectfully Submitted,

Michael Blank, President