

TOWNSHIP OF LOWER MAKEFIELD
BOARD OF SUPERVISORS
MINUTES – JULY 17, 2013

The regular meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on July 17, 2013. Chairman Stainthorpe called the meeting to order at 7:30 p.m.

Those present:

Board of Supervisors: Pete Stainthorpe, Chairman
 Dobby Dobson, Vice Chairman
 Dan McLaughlin, Secretary
 Kristin Tyler, Treasurer
 Jeff Benedetto, Supervisor

Others: Terry Fedorchak, Township Manager
 Jeffrey Garton, Township Solicitor
 Mark Eisold, Township Engineer
 Kenneth Coluzzi, Chief of Police

PUBLIC COMMENT

Mr. Zachary Rubin, 1661 Covington Road, asked about the Matrix open space parcel. He stated there was a Court-brokered Agreement which required Matrix to convey to the Township five acres of open space along Old Oxford Road with a pavilion constructed of approximately 2,500 feet in size and picnic benches. He asked if those acres have been ceded over to the Township; however, no one knew definitely whether this had occurred. Mr. Stainthorpe stated if it has not, it is still something that they are required to do. Mr. Rubin asked if that five acres was part of the sale to Toll Bros.; and if it was, Regency is a gated community, and it is a possibility that the Township may own five acres of open space in a private gated community which would not make it public open space. Mr. Garton agreed to look into this matter.

Mr. Harold Koopersmith, 612 B Wren Song Road, discussed problems with the Pennsbury School District finances, the IRS, and the Commonwealth.

APPROVAL OF MINUTES

Ms. Tyler moved, Mr. Dobson seconded and it was unanimously carried to approve the Minutes of June 19, 2013 as written.

APPROVAL OF JULY 1, AND JULY 15, 2013 WARRANT LISTS AND JUNE PAYROLL

Ms. Tyler moved, Mr. Dobson seconded and it was unanimously carried to approve the July 1, 2013 and July 15, 2013 Warrant Lists and the June, 2013 Payroll as attached to the Minutes.

DISCUSSION AND AUTHORIZING THE CONVERSION OF GENERAL OBLIGATION NOTES TO A LOAN FIXED RATE AND REPAYMENT OF THE 2002 AND 2004 NOTES TO PROVIDE LEVEL ANNUAL DEBT SERVICE AND THE REPEAL OF ANY INCONSISTENT RESOLUTIONS

Mr. Stainthorpe stated the Board previously discussed the opportunity to refinance some debt and take on some additional debt. He stated the Township had an obligation to the Dalgewicz family which has been paid in the amount of \$3.6 million so the Township will need to do some additional borrowing to cover that.

Mr. Gordon Walker from Public Financial Management, Inc. was present and stated on May 1 they had discussion about paying off some of the DelVal Golf Course debt of approximately \$4.2 million and adding it to new money and fixing the rate. He stated since that meeting, interest rates have risen, and they are re-thinking the issue of how to convert the variable rate debt to fixed. He stated they have come to the conclusion for right now that they should leave it with DelVal, and one of the options is to fix it for three years at no cost. He stated on the 2002 the remaining Golf Course debt is \$8.506 million, and on the 2004 which is partly Electoral and partly non-Electoral, the total is \$2.245 million. Mr. Walker stated this would be \$10.7 million. He stated the Township can lock the rate for three years at no cost at a rate of .96%, and that includes DelVal's admin fee. Mr. Walker stated currently the Township is paying a variable rate of .95% and this varies weekly. Mr. Walker stated DelVal has also given examples of six, nine, and twelve years. He stated the six year rate is 1.77%, the nine year rate is 2.32%, and the twelve year rate is 2.65%. Mr. Walker stated he would recommend that the Township do it for three years; and even if two years into it, the Township decides to do something else, they can.

Mr. McLaughlin stated he recognizes that they do not know the future, but he asked Mr. Walker if he feels there will be stability in the interest rate market in three years. Mr. Walker stated he feels that there will be stability in the short end which means that at the end of three years, they could lock in again for another three years. He stated the long end may see higher rates. He stated historically it is still very low even with the recent rise in rates. He stated if they lock in for three years, they will have certainty particularly in terms of the Golf Course Budget.

Mr. Stainthorpe stated there has been some turmoil in the Municipal Bond market over the last couple of months, and he feels this will continue until the economy really improves although he does feel things will stabilize. He stated he feels this is a good opportunity to lock in the rate of .96% at three years particularly since there is no cost to do so, and they could re-evaluate even in a year.

Mr. McLaughlin asked what could be the risk if they were to stay variable; and Mr. Walker stated prior to the time when the rates started to rise, the variable rate was at .85% and it has risen to .95%. He stated at one point it had been up to 1.3% but is now down to .95%. Mr. McLaughlin asked why they should change, and Mr. Walker stated they do not have to do anything. He stated they could remain variable but he is suggesting they lock in because any time you can get a three year fix it is certainty as opposed to uncertainty, and they can then Budget at the locked-in rate. He stated for the Golf Course Budget they could budget for the 1% since typically if you have a variable rate you budget at 1.5%; and if you are locked in, you can budget at the locked rate. He stated they could also just do the Golf Course and leave the 2004 as it is or do the reverse, and there is a lot of flexibility.

Mr. McLaughlin asked Mr. Walker what he would recommend, and Mr. Walker stated he would recommend adopting the Resolution and lock in at least the Golf Course portion for three years at the 1%.

Mr. Benedetto stated in May they did not talk about the 2004 Debt, and he asked why this was added. Mr. Stainthorpe stated in May they were talking about using Bonds to refinance this and were also trying to keep it bank qualified. Mr. Walker stated they were trying to keep the issue under \$10 million. Mr. Stainthorpe stated now they are just discussing converting and staying with DelVal and staying under \$10 million does not matter. Mr. Walker stated by doing this with DelVal it does not effect whether they are over or under \$10 million. Mr. Benedetto asked the rate on the 2004 now, and Mr. Walker stated it is variable at .95% and the 2002 is the same.

Mr. Benedetto stated Mr. Walker had stated in May that if the rate stays the same, they would actually be losing money unless it went up to 3.5%. Mr. Walker stated in May they were discussing locking it in at a better rate than they could today, and the thought was because they were talking about borrowing \$5 million for the new money and then another \$4 to \$5 million on a conversion from DelVal to a fixed rate bond, that would have kept it under \$10 million. He stated now that the interest rates are higher, they are thinking they should just lock within DelVal and not pay them off and lock in a good rate for three years.

Mr. Walker stated in the Ordinance that they will consider next, it will only be borrowing new money which they want for the settlement and whatever else the Township may want.

Mr. Benedetto stated the Motion talks about locking it in and providing level debt service. He stated he feels it is confusing between what happened in May and what is happening now since they are now discussing the 2004 debt on top of the 2002 \$8.5 million and now it will be \$10.7 million. Mr. Walker stated they are not adding any debt except what they will borrow under the Ordinance for Dalgewicz and whatever else the Township may need. He stated that is the only new money that is being borrowed. He stated the other debt – the 2002 and the 2004 is just a matter of whether they stay variable, fix it for three years, or fix it for some other term.

Mr. Benedetto asked if they fix the rate at 1%, do they keep that debt level. Mr. Walker stated the principal pay back does not change. He stated all they are paying currently on the 2002 is the interest. He stated the projections they have been using for the variable was 1.5%. He stated previously they would use a projected rate of 3%, but the rates are so low, they now use 1.5% even though the Township is paying .95%. Mr. Benedetto stated no payment terms would change, and Mr. Walker agreed that there would be no structural changes in the deal. Mr. Benedetto asked if they are paying interest only on the 2004 debt, and Mr. Walker stated on the 2004, the Township is paying principal and interest.

Ms. Tyler asked what would happen at the expiration of the three years if the Board decides to lock in at the .96%, and Mr. Walker stated they would then be faced with the same decision they have this evening. He stated it would go back to variable, and they would need to decide if they should stay variable, lock in for another three years, or for some other period of time. He stated they could also put it into a Bond issue.

Ms. Tyler moved and Mr. McLaughlin seconded to approve the Resolution authorizing the conversion.

Mr. Rubin stated they are not paying down any of the principal, and Mr. Walker stated the pay back of the principal on the 2002 does not start until 2022. He stated in 2005, the Board decided to pay off the early maturities – the principal in the early years into a Bond issue to fix it. He stated the 2005 yield was then refinanced for savings in a 2010. Mr. Rubin stated if they go to the fixed rate for three years, they are fixing what they are paying the variable rate and are not paying one penny of principal down with this Motion. Mr. Walker stated they are not paying any principal on the 2002 whether they adopt this Resolution or not.

Mr. Rubin stated he feels that they should refinance all of the outstanding debt that is interest only. He stated with regard to the Golf Course he agrees that when they were first under construction there was no revenue coming in; but since the Golf Course has been opened, it should be self sufficient just like the Pool. He stated if

they are paying interest only on the \$8 million, he feels it is wrong. He stated he feels they should lock in a fixed rate where they pay down the principal and interest now. He stated if they keep the interest only debt part of it, this is a bookkeeping way of saying that the Golf Course is paying its way. Mr. Walker stated it is paying the principal down on the 2010. Mr. Rubin stated this is half of the original loan which was fixed; but he feels the rest of it should be a fixed rate, and they should pay down the debt and see the real cost of Golf Course.

Mr. Walker stated if they were to refinance the 2002 into a fixed rate Bond Issue, it could go from .95% to 4% which is a 3% increase on \$8.5 million which would cause a \$250,000 increase on the Golf Course Budget. Mr. Benedetto stated on May 1 Mr. Walker stated there was a possibility of getting 2.6% to 2.7% for the last half of the 2002 piece; and Mr. Walker stated rates are now up substantially.

Mr. Walker stated the Golf Course debt will be paid off in 2032 which is nineteen years. He stated the principal is paid back in years 2022 to 2032. Mr. Rubin asked about having a ten year Bond with principal and interest that would be fixed. Mr. Walker stated to amortize the whole debt over ten years would “kill” the Golf Course budget. Mr. Rubin stated he is talking about the real cost of what the Golf Course is costing the Township. Mr. McLaughlin stated there is an operation that has a revenue component that would not support shrinking the amortization schedule to ten years.

Mr. Rubin urged the Board not to take Mr. Walker’s advice, and he feels they should refinance the interest-only part with a historically low fixed rate so they can pay down the principal and interest and have the true cost of the Golf Course.

Mr. Ed Gavin, 904 Sensor Road, asked what will the viability of the business be in 2022 with the proposal that is before the Board. Mr. McLaughlin stated the model he saw for the Course indicates the business can support the current scheduled debt with the revenue stream that is projected from now to 2032. He stated if they increase the prepayment of that interest and debt from 2032 to 2022, they will put undue pressure on the Course. Mr. Gavin stated currently they are paying interest only, but Mr. Walker stated principal is being paid on the 2010 which is Golf Course related. Mr. Gavin stated this is only half of the outstanding loan. Mr. Fedorchak stated this will fall off in 2021. Mr. McLaughlin stated they staggered the payments so that some of the debt falls off in 2021, and then the new principal kicks in on some of the loans at that point. Mr. McLaughlin stated the Dalgewicz settlement does impact this, and they will need to determine how this additional \$3.6 million will factor into the model which did not include that amount. He stated they need to determine how they can assume this additional \$3.6 million in debt and interest and keep the viability of the business.

Mr. Gavin asked at what point the interest rate would be fixed, and Mr. Stainthorpe stated the interest rate would be fixed for three years. Mr. Walker stated they will look at this year to year. Mr. Stainthorpe stated this is essentially what they have done with all of the bonds over the years. Mr. McLaughlin stated they have also done reasonably well, and Mr. Walker stated they have saved millions of dollars over the last three to five years on refinancings.

Mr. Mark Moffa, 1531 Derbyshire Road, stated he thought there was a going to be a huge jump in the Golf Course Debt Service in 2022. Ms. Tyler stated there was a jump but then a corresponding drop off. Mr. Benedetto stated all they are doing now is locking in the 2002 and 2004 rate for three years at .96%, and the balloon payments they were discussing have nothing to do with what they are talking about now. Mr. Moffa stated while it has nothing to do with this Motion, it has to do with the larger picture. Mr. Stainthorpe stated previously they discussed borrowing \$9 million to refinance part of this debt and also do some additional new borrowing, and Mr. Walker had worked out a schedule where the payments were lower up front and then increased; but that is not being considered now. He stated the next discussion will be about borrowing additional money.

Motion to approve Resolution carried unanimously.

APPROVE ORDINANCE AUTHORIZING ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE OF VARIOUS CAPITAL IMPROVEMENTS

Mr. Stainthorpe stated the Township has to borrow an additional \$3.6 million for the Dalgewicz settlement. He stated he had also asked Mr. Fedorchak to look at other things the Township might need given the fact that the interest rates are low. He stated Mr. Fedorchak has provided such a list including Golf Course improvements, upgrades to Township facilities including a new heating and air-conditioning systems in certain areas, and Police radio upgrades in the amount of \$330,000 which is a required item. He stated there is also the need for a new street sweeper, additions at the new ball fields, and the Community Center.

Mr. Walker stated the Ordinance before the Board provides a lot of flexibility and provides for borrowing up to \$6.5 million, although they could go down as low as \$3.6 million. He stated it is up to the Board as to how much they want to add. He stated they had discussed \$5 million in May. Mr. Walker stated they are not selling Bonds tonight, but the Ordinance allows them to sell Bonds whenever they have the rating. Mr. Walker stated they have a rating call with Moody's tomorrow at 4:00 p.m., and there should be a rating by the end of the month. He stated assuming

the Board decides this evening how much money they want to realize at Closing, they should be able to decide whether August or September is a good time to go to market. He stated there is a lot of flexibility on timing.

Mr. Stainthorpe stated the items he noted with the Dalgewicz money would total \$5,480,000. He stated the first item he would like to discuss are the Golf Course improvements, and Mr. Mike Attara was present this evening to discuss the Golf Course.

Mr. McLaughlin asked if there is any risk to the rating with the additional borrowing, and Mr. Walker stated Lower Makefield is a large Township with a AA1 rating which is one level lower than AAA. He stated the Township has an excellent rating. He stated they are not extending beyond the current end of all Township debt which ends in 2032. He stated the Township finances are good.

Mr. Benedetto asked if they will still have a five year call, and Mr. Walker stated they will. He added the Township could also refinance the issue before five years if the rates justify this as you can do one advance call. He stated if there are savings to be had, he would advise the Township.

Mr. Dobson asked if it is possible that Moody's may increase the rating, and Mr. Walker stated there are only two Townships in Pennsylvania that have AAA ratings which is very hard to get, and he does not feel the Township will get a AAA.

Mr. Mike Attara and Mr. Bob Doria from the Golf Course were present. Mr. Attara stated they have prepared a mid-year update and they will then discuss the capital items they have recommended. He stated through June in a year where there has been tremendous rainfall, they are still doing well Actual to Budget. He stated they are at \$764,000 Revenue on Golf and cart fees with a Budget of approximately \$784,000. He stated merchandise sales show an 18% increase which equals approximately \$13,000 in additional revenue. He stated the driving range has been able to hold Budget even with all the rain. He stated part of the reason for this is the Programming which is very strong, and they are at over \$20,000 in Programming lessons, camps, and clinics and bringing new players to the game at the Club.

Mr. Attara stated Food and Beverage has done very well, and part of the discussion about capital will be around what they see as a potential opportunity in the Food and Beverage Department. He stated in a year where they are fighting the weather, Revenues are up. He stated Expenses are also holding tight. He stated currently they are a Net Income of approximately \$50,000 compared to what was budgeted of approximately \$36,000.

Mr. Attara stated they are seeing banquet opportunities and while they budgeted ten through June, they have had fifteen. He stated with regard to Banquets, they are fighting the room and space as they only have opportunity to do banquets at certain hours because they have to intermingle events with public golfers. He stated they have had eleven Outings booked through June, they had budgeted nine.

Mr. Attara stated Gross Operating Revenues are at \$1.078 million which is slightly ahead of Budget, and Operating Expenses are below Budget at \$329,000 in large part due to what they are doing with the Maintenance Department which is currently \$37,000 below Budget with the Golf Course in excellent condition.

Mr. Attara stated Payroll is almost at Budget, and the extra in Payroll is mostly in Food and Beverage because they are doing more events.

Mr. Attara stated Net Income is approximately \$46,000 ahead of schedule for the first six months.

Mr. Doria stated the Audubon Certification Program is coming to completion, they have submitted all the paperwork, and they expect to get the Certification by the end of the year. He stated this relates to their recycling programs as well as protecting certain areas because of the native flora and fauna. He stated they have been ranked by Golf Week Magazine as the ninth ranked Golf Course for public play in Pennsylvania. He stated the Range was also recognized by the Range Association of America as one of the top fifty public ranges in the Country. He stated the food and beverage revenues continue to expand, but they have had to turn business away because of the facility itself. He stated they are losing wedding and larger party business because they do not have full use of the facility as it is now. He stated the increase in merchandise sales is directly tied to the Golf Academy and the Fitting Program. Mr. Doria stated the Academy is also receiving accolades from their peers and the students bringing new golfers to the game. He stated they are trying to make customers for life at Makefield Highlands.

Mr. Doria stated their Superintendent has done an excellent job with the amount of rain they have been receiving, and the Course conditions are excellent. He stated this has helped them land two prestigious events in the area, and next they have the Golf Association of Philadelphia Patterson Cup qualifier which is for the top amateurs in the region. He stated they have also signed on to be the qualifying site for the Philadelphia Open Championship for 2015. He stated in 2016 their goal is to get one of these two events as the host site.

Mr. Attara stated with regard to the Capital Plan, Mr. Fedorchak asked that they look at their priority for capital. He stated over the years, the Board of Supervisors has approved some capital items, and those items have helped improve the Golf Course.

Mr. Attara stated they done bunker renovations and purchased new equipment to get the greens in good condition. He stated they have also done tee renovations; and a lot of the areas that were weak on the Golf Course are now stronger than ever, and this is important to the players. He stated when they first came in they also gave the Club House a “face lift,” and they were able to renovate the men’s restroom and this has resulted in people wanting to hold more events at the facility.

Mr. Attara stated they would like get a tent which will be a revenue-generator and puts the Club House in a place where they will be able to grow. He stated in January they started looking at the Club House and engaged an architect to help them determine the best uses of the Club House and the space. He stated they need space in the kitchen so that they can do more. He stated the tent addition and kitchen upgrades would provide opportunities in the future.

Mr. Attara stated the pond liner at Hole 9 has been a problem, and they have tried several inexpensive ways to resolve the issue; but the pond is still leaking and they are losing water. He stated they are spending on average approximately \$28,000 annually; and in 2010 they spent over \$60,000 for the purchase of water. He stated in a hot, dry year this is a big expenditure so the cost to renovate the pond liner would more than pay for itself.

Mr. Attara stated they are also recommending a bridge, upgrades to the ladies’ restroom in the Club House, and another on-Course restroom. He stated this year they did install a new restroom on the 14th Hole which has been very well received.

Mr. Attara stated with regard to the tent and kitchen upgrades they have done projections, and they feel this will increase banquet opportunities. He stated they are projecting new Revenues of approximately \$198,000 on events which he feels is a safe number. He stated they will be able to realize a lot of revenue since the infrastructure is in place. He stated they estimate an \$80,000 net income per year increase for the Food and Beverage Department. Mr. Attara showed a picture of an example of a tent located across from the dining room by the silo. He stated the tent shown would hold 120 people for a sit-down dinner. He stated they are proposing to double the size of the kitchen and to replace aging equipment. He stated they propose to add about 340 square feet to the kitchen. He stated what is proposed would enable them to serve the current customers much better as well. Mr. Doria stated they are turning away at least five events per month because of timing or inability to serve their customers.

Mr. McLaughlin asked if the tent will be a permanent feature, and Mr. Attara stated it would be in season which is April to October.

Mr. Benedetto asked the total cost for this, and Mr. Attara stated it would be \$248,000. Mr. Benedetto asked about the figure for “contingency,” and asked what this would be for; and Mr. Stainthorpe stated anytime you do construction, you need to provide a contingency.

Mr. McLaughlin asked if there would be any safety issues with the proposed tent location; and Mr. Attara stated he does not feel there should be a problem, and there are side walls that could come down. Mr. McLaughlin asked if they feel this proposal will interfere in any way for the golfers if there is a party taking place; and Mr. Attara stated he does not feel this should be an issue, and it would be the same situation you would have if there was an event taking place on the patio.

Mr. Benedetto stated he has walked the property and looked at the house on the property, and now they are discussing increasing banquet revenue, infrastructure, and weddings, and they are not proposing any work done on the house. Mr. Attara stated they are not, and they were told that the cost to get it up to Code would be over \$300,000. Mr. Benedetto stated they had previously discussed having a wedding party stay there; and Mr. Attara stated while there are opportunities, the costs are a hindrance. Mr. Fedorchak stated there are problems with the configuration of the house itself, and he particularly noted that one of the rooms has an exceptionally-low ceiling and is less than 7'. Mr. Fedorchak asked the size of the tent, and Mr. Attara stated it is 30' by 60'; and Mr. Fedorchak stated this would be 1,800 square feet, and the largest room in the house is approximately 500 to 600 square feet. He stated the house is too compartmentalized to lend itself to this use. Mr. Attara stated they would have to build another structure off of it.

Mr. Benedetto stated he feels it is ironic in light of discussions about the Satterthwaite House and the Township not putting any money into it, now they are discussing borrowing up to \$6.5 million and there is a structure on the Golf Course that they could save. He stated one of the main things they are focusing on is increased revenue being generated, and the house is a perfectly good location, and the Historic Commission has been out there to discuss it. He stated now they are saying that this is not a priority, and he feels it is disappointing that this does not fall high on their priority list.

Mr. Frank Draper, Golf Committee, stated a number of years ago they took a hard look at the house; and the infrastructure in the house is almost beyond any kind of repair, and you would have to retrofit everything including electrical, plumbing, heating, air conditioning, and the asbestos issues. He stated he felt that the original estimate was \$1 million to bring the house to a point where it would be usable. Mr. Benedetto stated this would be more than the Satterthwaite House which was indicated last night would cost \$800,000, and he finds this hard to believe. He stated he would like to see this estimate. Mr. Benedetto stated they have the

opportunity now to borrow the money; and if they do not do these improvements to the house now, he questions when they would do it. He stated he feels the house on the Golf Course is in better condition than is the Satterthwaite House, and the Satterthwaite House is twice as big. Mr. Benedetto stated he sees where the priorities are in the Township.

Mr. Benedetto stated he feels the Board should direct the Golf Course management to do this and tell them what they have to do to improve the house if they are giving them \$400,000 since this will help them generate income.

Mr. McLaughlin stated he disagrees that the renovation of the house will generate income since they cannot use it as a banquet facility given the size and its proximity to the kitchen. He stated other than a boutique bed and breakfast, he does not see the revenue generation to justify spending this money.

Mr. Attara stated they have a \$2 million projected Capital Plan for the Club House to bring it up to where they could host large functions in the Club House, and they do not feel it makes sense to spend \$2 million now when they can spend \$248,000 and get the size kitchen needed to do this, and have a place to host events through use of the tent which will cost approximately \$48,000. He stated he feels this is a small amount of money when you consider the return on investment.

Mr. Benedetto stated the Course has \$750,000 in the Golf Fund that no one has discussed touching. He stated he feels their needs totaling \$400,000 could be done with the money they have in the Golf Fund. He stated last year the Golf Course got \$126,000 in Capital projects that were financed, and not one other part of the Township got any money for Capital projects. He stated now they are coming to the Board requesting \$400,000 when they have \$750,000 in their Fund.

Mr. Attara stated they are asking for a lump sum of money so that they can get these revenue-generating projects done. He stated the Board has approved an annual Budget of approximately \$125,000 in Capital, and this business requires Capital reinvestment. He stated they have been able to continue to grow the business and make improvements that they feel will continue to increase the revenue stream. He stated they are not asking for new money, but are asking for this lump sum of money. He stated these are the things they would have liked to do over the next four years; but if they can get them done in a shorter period of time with this new money, they will be able to pay back the money very quickly.

Mr. Benedetto stated they are asking for additional money since for 2013 their Budget was \$126,000 for Capital projects and that does not include anything to do with banquets, the bridge, or other updates. Mr. McLaughlin stated Mr. Attara was asked what he would need to bring them up another step for the Course. He stated

they asked Mr. Attara if he were given more funds to upgrade the facility, where would he put the funds. Mr. Benedetto stated the Township was just hit with a \$7.5 million judgment and has to pay \$3.6 million all because of the Golf Course, and they are now coming in and asking for more money which he feels is ironic and bad timing. He stated this is a list of \$275,000 more than was already budgeted for the Golf Course, and they also have to pay \$3.6 million on the Judgment. He stated he feels the Township residents should be outraged.

Mr. Attara stated they are trying to find ways to generate new revenue. He stated \$3.6 million has to get paid, and they need to find a way to pay it. Mr. Benedetto stated he is concerned about the timing and questions why they are requesting it now. Mr. McLaughlin stated he feels it is smart to start looking at additional revenue sources to pay the additional interest that the \$3.6 million will require. He stated he understands that there is an additional financial burden on the Golf Course, and they are trying to look for ways to increase revenue to fund that obligation; and he feels this is being responsible and proactive.

Mr. Benedetto stated he does not feel they are being fiscally responsible when they were just hit with a \$3.6 million judgment, and now they are considering borrowing up to \$6.5 million. He stated he does not feel they are saying “no” to anyone. He stated the rest of the “wish list” includes the all-inclusive playground that will go over the \$1 million budget, the Samost ball fields that are going over the \$1 million budget; and they are now indicating that getting hit with a \$7.5 million judgment against the Township opens up a lot of possibilities to borrow as much money as they can. Mr. Benedetto stated while he understands that Mr. Attara was asked to be here, he feels it is “appalling” that they are coming asking for additional money for \$400,000 when they already have \$126,000 in Capital Funds that no one else in any other Department has.

Mr. Doria stated currently they are saying “no” to the customers who come to the facility when they have to tell them that they cannot handle their function. He stated they do not want to turn them away.

Mr. Stainthorpe stated at this point people are only making their case, and the Board will then decide what to do.

Mr. Attara stated with regard to the pond, they are paying an average of \$28,000 annually to buy water, and they hope that the leak can be corrected, and this should save them \$180,000 over ten years. He stated the other items on the list include a bridge at Hole 18 which was a customer request for some time and was on the original Plan. He stated this would improve the pace of play, improve the Course conditions, and add to the overall experience. Mr. Attara stated bathroom improvements are also proposed one in the Club House for the ladies which he feels

would be good if they are going to have more banquet business, and an additional one on the Course. He stated there would be some cost savings as there are currently costs for the porta-lets. Mr. Attara stated he feels the return on investment would be at a four year pay off.

Mr. Benedetto stated in the 2013 Budget, the estimate for the pond liner was \$150,000, and they are now indicating it would be \$100,000; and Mr. Attara stated they had worked with Mr. Eisold on this. Mr. Eisold stated he is not sure where the \$150,000 came from, but they have met several times to discuss the type of liner needed to solve the leakage problem, and they feel it would cost approximately \$100,000.

Mr. Benedetto asked about a back-up generator, and he asked if they purchased one or do they still need one as this was a \$25,000 item. Mr. Attara stated it was on the Plan, but they did not purchase one. Mr. Doria stated they did an electrical retrofit. He stated with Sandy last year, they had to throw away approximately \$5,000 worth of food that had spoiled. He stated to make sure that problem would not happen again they retrofitted the electrical systems so they can plug in a generator and just power the refrigeration equipment. He stated they could not operate, but they could make sure that they do not lose food.

Mr. Benedetto asked what they would classify as the highest priority, and Mr. Attara stated it would be the tent and the kitchen upgrades. He stated the pond liner was also noted so that they would not have to purchase water.

Mr. Rubin stated the original loan was \$16 million and part of that was \$1 million put into a Golf Contingency Fund which is currently at \$750,000. He asked what the \$250,000 was spent on. Mr. McLaughlin stated he feels that during one of the years that he was on the Board, the Course ran into a deficit because of weather. Mr. Fedorchak stated there was a piece of that loan where they were capitalizing expenses, and they were using that loan to run the Course for the first year and a half. Mr. Rubin stated he felt that they also spent about \$150,000 of that to pay the legal fees for the Dalgewicz Appeal, and Mr. Fedorchak stated in general the legal fees came from the Golf operation revenues. Mr. Rubin asked if this was budgeted or does it come out from the Golf Contingency Fund. Mr. Fedorchak stated it came out of the Golf Fund in general. Mr. Benedetto stated there were \$256,000 worth of legal fees. Mr. Rubin stated he feels this is why the \$1 million is down to \$750,000 because of the legal fees for the Dalgewicz matter which is not part of the \$3.6 million that they are borrowing so he feels it is a "hidden fee" that is coming out of the Golf Budget and not the actual cost of the Dalgewicz settlement.

Mr. Rubin stated he knows that the original \$1 million was supposed to be for capital improvements and not for the first few years when there was no revenue. He stated with regard to the bathroom upgrades, he asked if the estimated cost includes sewer hook up, and Mr. Attara stated it does not. He stated they are designed with a built-in septic system built into the product. He stated the waste goes into a tank that is pumped out once a year, and this will be included in the operating expenses.

Mr. Rubin stated Mr. Stainthorpe was the liaison to the Golf Committee for a number of years, and he asked him if it was correct that before the Orleans project was built, it was possible to put public sewer down through the development that was going to be built and would not have cost anything for easements; but the Golf Committee and the Board of Supervisors never actuated this. Mr. Stainthorpe stated they did look at this, and it was a fairly significant expense since the developer was not going to do this for free. He stated he recalls that Kemper did not want to pursue this so they did not. Mr. Rubin stated feels there could have been easements done and it would have been less expensive in the long run. Mr. Rubin stated he does feel that the Golf Course is a beautiful operation and asked that they keep up the good work.

Mr. Stainthorpe asked if they need to lock in a definite amount this evening; and Mr. Walker stated if they want to have the ability to sell Bonds before the next meeting, they do need to lock in a definite amount since they need to know how much money they want at closing.

Mr. Fedorchak stated he has provided a list of Township facilities upgrades noting the Municipal Building is over thirty years old, and there are a number of items that are original. He stated for Accounting they are looking at a new air conditioning unit in the amount of \$13,000, and a new gas heating unit for the Township Building which is mandatory since the current boiler is broken with the cost for that estimated to be \$62,000. He stated they need to replace the original doors for the Meeting Room and the doorway facing Edgewood Road at a cost of \$13,000. He stated in terms of energy efficiency and savings on the electric bill, they want to retrofit the existing lighting in the hallways and down through the second floor to LED lighting at a cost of approximately \$6,000. He stated they need a new air conditioning unit for the Public Works Building at a cost of \$60,000. Mr. Fedorchak stated the Township has a stake in the Farringer House which is the office area next to Mail and More in the Giant Shopping Center where the Township has a ninety-nine year Lease; and it is the Township's responsibility to make capital improvements. He stated they need a new roof at a cost of \$6,500. Mr. Fedorchak stated he would characterize all of these items as high priority other than the LED lighting. He stated the total for all of the items is approximately \$160,00, and he would recommend that they be considered as part of this issue.

Mr. Benedetto asked Mr. Fedorchak where the estimates came from, and Mr. Fedorchak stated they were from the Facilities Manager and the Public Works Director. He stated many of them are actual numbers that they received from contractors.

Mr. Stainthorpe stated with regard to the LED lighting, if they would replace the lights in the Meeting Room, they would not really save a lot of money since the lights are not on that much. He stated he does feel that they need the air conditioning and heating as well as the roof on the Farringer House.

Mr. Fedorchak stated they received a \$1 million Grant from the State that was for the three projects – the construction of the ball fields which is taking place at this time, the all-inclusive playground to be located in Memorial Park, and improvements to the tennis and basketball courts which has been accomplished. He stated the improvements to the tennis and basketball courts cost approximately \$190,000. He stated the Bid for the new ball fields came in at approximately \$663,000 which leaves approximately \$150,000 for the playground. He stated they could build a small Phase I which would get the playground started; but he would recommend doing it the right way and do the entire project, and in order to do this, it could be as much as an additional \$250,000. He stated they may be able to amplify Phase I for less than \$250,000. He stated they can stay within the Grant Budget by building something small at the playground, but he feels it would be best to do as much as they can now.

With regard to the Samost ball fields, Mr. Fedorchak stated this was part of the same Grant; and in order to make budget, they had to eliminate a number of elements of the project such as installing a wearing surface in the parking lot and leaving it stone which is adequate. He stated there were also a few recommendations that came from PAA which they did not have the money for and were deferred, and he noted particularly bringing public water to the site at a cost of approximately \$23,000. He stated in order to continue with the completion of the ball fields, it would involve a Phase II of approximately \$250,000. He stated at the current time, they are staying within the Grant Budget.

Mr. Stainthorpe noted Police radio upgrade, and since the County is upgrading their system, the Township has no choice and has to participate. He asked if there is financing available through the County for this; and Chief Coluzzi stated there is, and he provided the financial schedule to Mr. Fedorchak some time ago. He stated he feels that they go out five to seven year terms. Mr. Stainthorpe asked if it would make more sense to work with the County on this, and Mr. Fedorchak stated this is an option.

There was discussion on the street sweeper, and Mr. Fedorchak stated the street sweeper they have is approximately twenty-five years old. Ms. Tyler stated she recalled that this was recommended for replacement when they did the Public Works Study. Mr. Fedorchak agreed that the Management Study done several months ago identified two pieces of equipment that they felt needed to be replaced; and one was the boom mower which has been purchased, and the other piece of equipment was the street sweeper.

Mr. Stainthorpe stated the last item is engineering, architects and construction management in the amount of \$250,000; and this is for the projects involved with the Grant.

Mr. Benedetto stated the tennis court/basketball court resurfacing went \$80,000 over the Budget since it was \$110,000 and it cost \$190,000. Ms. Tyler stated she felt it was Budgeted to be \$150,000. Mr. Benedetto stated it went over the estimate, and the "gift" that was received was still taxpayer money of \$1 million; and if they add all the additional items being considered - \$250,000 for the playground, \$250,000 for the engineering, and \$250,000 for the Samost ball fields, it is \$750,000 in addition. Mr. Benedetto stated the Seniors also do not feel they will be able to build a Community Center for \$1 million so when this comes up, the Seniors will indicate they want additional money as well. Mr. Benedetto stated he questions who they are saying "no" to, and they are not holding the line on anything. He stated the \$1 million Grant is ending up costing the Township close to \$1 million more, and he feels if they want to be fiscal conservatives, they should hold the line and say "no." He stated he does not feel this is the time to do it despite the interest rates since they were just hit with a \$7.5 million judgment with \$3.6 million owed. Mr. Benedetto stated he would be in favor of the street sweeper, and Township Building upgrades, which would be \$4 million including the Dalgewicz settlement. He stated the Golf Course has their funds of \$750,000, and he feels they should say no to this. He stated he feels they should pay \$150,000 for the all-inclusive playground, and the ball fields should be built at the \$660,000.

Ms. Tyler stated with regard to the all-inclusive playground, they did a design for this very specialized playground that is accessible for all children, and the pieces are extremely expensive. She stated the original design was done to complement the Garden of Reflection. She stated because of the Budget, they had to pull out certain pieces; however, the nature of the playground involves a special surface so it is not an easy Phase I/Phase II project to do. She stated they would have to dig up the surface to add to it. She stated if they can bring that playground to completion, she feels the purpose of the Grant serving as many factions of the community as possible will be achieved.

Ms. Tyler asked Mr. Fedorchak how they will look next year in the Township Budget if they borrow \$5 million, and what will the residents be facing from a tax perspective. Mr. Fedorchak stated the way the Debt Service payments have been structured, the first eight years would be for a lower amount, and they would be paying approximately \$75,000 to \$80,000 a year; and then in 2022 overall Government Debt drops by \$1 million, and they would go from about \$2.2 million to \$1.2 million. He stated starting in that year, they would begin to pay the rest of this new debt. He stated they will not require any tax increase whether they go with \$4.5 million or \$5.5 million. Mr. Fedorchak stated he feels they could even go up to \$6 million and it would not have an impact. Mr. Fedorchak stated Mr. Walker has indicated that they not extend it beyond 2032 at this time.

Mr. Benedetto stated he feels this sounds “unbelievable.” He stated when Mr. Walker was previously present they were discussing \$5 million and now they are considering \$6.5 million. He stated Mr. Fedorchak has now indicated that in 2022 when they were going to have the huge payments that the Golf Course was never going to be able to service, now that will drop in 2022. He asked how this is possible unless the Township is “exploding” their Debt Service right now.

Mr. Walker stated the May 1 numbers indicated that in 2022 the total Debt Service of the Township would drop, after borrowing \$5 million, from \$2.7 million to \$2.178 million. He stated he was assuming for tonight’s purposes that they would agree on \$5 million although it could be more or less. Mr. Benedetto stated it is still \$5 million. He stated it appeared that they were leveling the debt from 2013 to 2021 and then it went from \$800,000 or \$900,000 to close to \$1.4 million which is how much money they would owe in 2022 which he feels would indicate that unless there is additional revenue, they would have an additional half million dollars they would have to find somewhere.

Mr. Stainthorpe stated when they looked at this in May, it was going to be 100% financed by the Golf Course; and what they are discussing now is the \$3.6 million and the additional \$400,000 to be financed by the Golf Course, but the balance would be out of the Township’s Debt Service, and in 2022 the Debt Service drops by \$1.2 million a year.

Mr. Benedetto stated while the Township debt will drop, the Golf Course is \$3.6 million; and they will never be able to meet that payment. Mr. McLaughlin stated this is connected to what they were discussing previously which was trying to find additional revenue sources. He agreed that the obligations are going to go up, and they have to find additional revenue sources. He stated the rest which is Township debt will be financed by naturally paying off of the normal debt, and will still come down since they are paying off substantial portions of the existing

debt. Mr. Fedorchak stated in 2022 even after factoring in the additional \$5 million borrowing, the Board of Supervisors in that year are still going to have an additional \$400,000 to \$500,000 cushion at that time so there will still be a drop off although it will not be as much.

Mr. Benedetto stated he feels it seems like they are “playing a shell game.”

Mr. McLaughlin stated he is concerned about the Golf Course debt, and they are trying to find additional revenue for the Golf Course to fund their additional debt. He stated with regard to the Township-related debt, they are going to be able to finance that because they are naturally going to pay off some of the existing debt.

Mr. Benedetto moved that the Resolution be for \$4 million which would take into consideration the money for the Township facilities, the Dalgewicz settlement, and the street sweeper. Motion died for lack of a second.

Mr. McLaughlin stated he would be in favor of \$4.4 million which would be the \$3.6 for the Dalgewicz settlement, \$400,000 for the Golf Course, \$150,000 for the Township facilities, and \$250,000 for what he feels will be overruns on the Senior Center since he does not feel that the \$1 million that they have will be sufficient.

Mr. Dobson stated he is also at \$4.4 million which include the Dalgewicz settlement, Golf Course improvements, Township facilities upgrades, and the all-inclusive playground.

Ms. Tyler stated if they can manage the entire list without impacting the residents’ taxes and the finance structure they have been undergoing the last fifteen to twenty years, she feels it would be short-sighted not to take as much money as they can without a tax increase. She stated she feels it would be a mistake not to complete the all-inclusive playground as designed. She is also in favor of the Golf Course improvements, and the Township facility upgrades.

Mr. Stainthorpe stated he feels they could finance the Police radios with the County.

Mr. Benedetto stated he feels it is ironic that the street sweeper is not being considered but they are giving the Golf Course funds even though they have \$750,000 in their fund. Mr. Benedetto stated he would be in favor of \$4 million which he feels would cover the Dalgewicz settlement, the Township upgrades, and the street sweeper since it is a need that has been discussed and would benefit the entire Township. He stated the Golf Course has the funds to make the capital improvements they have discussed.

Mr. Stainthorpe stated he would be in favor of \$5.150 million since it will not increase taxes, and he feels there should be some cushion since some of the numbers are estimates. He stated he feels when it is possible to do it without raising taxes, they should do these projects right at one time.

Ms. Tyler moved and Mr. Stainthorpe seconded to consider the approval of \$5.150 million for everything on the list other than the Police radios.

Mr. Rubin asked how many tennis courts and basketball courts were resurfaced, and Mr. Stainthorpe stated it was four tennis courts and one basketball court.

Mr. Rubin stated he understands it was \$190,000. He asked what type of resurfacing it was, and Mr. Fedorchak stated they tore it up and put new blacktop down and did fencing as well. Mr. Rubin stated he is the Vice President of Makefield Glen Homeowners' Association, and they have two tennis courts for which they received a bid for \$29,000 to resurface. Mr. Stainthorpe stated the difference is prevailing wage, and since Makefield Glen is a private entity they do not have to pay prevailing wage. Mr. Rubin stated there was a cost overrun of \$80,000; however, Mr. Fedorchak stated the original estimate was \$160,000 and the cost overrun was \$20,000.

Mr. Rubin stated the Township received a \$1 million Grant for the tennis courts, ball fields, and playground and \$1 million the same day to do a Community Center; and he asked the progress on that project. Mr. Fedorchak stated they are working their way through the Grant program one component at a time. He stated the tennis court project was an easy one to engineer, and the State was insisting that the Township start to move on some element of the \$2 million Grant program.

He stated they next went to the ball fields, and they hope to go to the all-inclusive playground and the Community Center at the same time. Mr. Rubin stated he feels over the last few years they should have been able to hire an architect or engineer to come up with plans for the Community Center. He stated they are considering borrowing \$250,000 for a Community Center when they have no idea how much it will cost. He stated the Grants were basically \$2 million each and the Township put up the million dollars for the Community Center since it was a matching Grant and they were using Township land. He stated the million dollars was also put up by the Township as a matching Grant for the ball fields as well since it was on Township property.

Mr. Rubin stated one of the items they have deducted from the ball fields was public water for \$23,000. Ms. Tyler stated the item they are considering with regard to water is a water bib so that they would be able to water the fields. Mr. Rubin stated he feels they should have water fountains at the ball fields.

Mr. Koopersmith asked how much would the tax increase be if they were to borrow \$5.1 million, and Mr. Stainthorpe stated they are not going to increase taxes. Mr. Dobson estimated that it would be \$40 to \$50 per year tax increase. Mr. Koopersmith stated they need to structure working together and decide how they are going to allocate all of the resources adding he feels education is the priority.

Mr. Moffa asked how they got to the \$5.150 million; and Mr. Stainthorpe stated the total for all the items that have been identified is \$5.480 million and they took out the \$330,000 for the Police radio which brings it to \$5.150 million.

Mr. John Lewis, 1515 Surrey Brook Court, asked how much has been borrowed for the Golf Course in total. Mr. Benedetto stated the original was \$16.6, and Mr. Lewis stated they would then have to add the \$3.6 million. Mr. Lewis asked how much of the Debt Service has been paid since the Golf Course has been in operation for the principal, and Mr. Fedorchak stated they currently owe \$13.4 million. Mr. Lewis asked if there is any other enterprise that would be allowed to borrow such a large sum of money and then pay only interest and nominal principal for such a long period of time. Mr. Stainthorpe stated when they structure any debt, they have some flexibility in how they structure the payments. He stated the Sewer Authority could do this and the Township could as well.

Mr. Walker stated it is important to realize that since day one there have been principal and interest payments on the Golf Course. He stated because they moved the early payments over to a Bond Issue, it appears that they are only paying interest; but they have been paying and like a mortgage there was a level debt service structure in 2002 through DeVal. He stated they have been and are still paying principal as well as interest on the Golf Course. He stated like a typical mortgage, the interest is high in the beginning and as the interest declines, the principal builds up and you start to have a level payment.

Mr. Lewis asked how much of the total debt over the next twenty years is related to the Golf Course, and Mr. Fedorchak stated he feels it would be 42.6% of the total Township debt. Mr. Lewis asked if they will be over 50% with this additional borrowing; and Mr. Fedorchak stated it will not, and he would anticipate it to be 47%.

Mr. Lewis asked if they have done an analysis on the additional Capital expenditures, and what it will do to the Operating Budget in the out years. He stated there is an upfront capital investment and then there will be an impact on the Operating Expenses in the out years since if they build ball fields, they will have to mow the grass, pay electricity, etc. Mr. Benedetto stated the management of a Community Center would have to be Budgeted as well. Mr. McLaughlin stated they

have considered this, and this is why they have been so stringent in reducing the expenditures over the last five years so that they can accommodate the additions. He stated they are required to upgrade the facilities in the Township and give services to the Township residents, but they do not want to raise taxes; and the only way to do that is to cut expenditures, and they are back to 2008 spending levels.

Mr. Lewis asked how much will the impact be of the proposed additional Capital investments; and Mr. Fedorchak stated while he has not done a complete analysis, Mr. Attara has already stated that if they borrow an additional \$300,000 to \$400,000 for the Golf Course, this will improve the operational bottom line by over \$100,000 a year. Mr. Fedorchak stated with regard to the Township facilities upgrade, the air conditioners and heater will go from twenty-five to thirty year old equipment to much more energy efficient units which he feels will result in savings in energy costs. He stated if they purchase a new street sweeper, they will be replacing a piece of equipment that is not fuel efficient or adequate to do the job. He stated replacement of the street sweeper will also help with maintenance costs in the foreseeable future. Mr. Fedorchak stated they already have maintenance costs for the ball fields and what is proposed will add to the fields they already have and should not be an issue in terms of big maintenance costs. He stated he does not feel that the playground will result in significant maintenance costs although they will have to make sure that the equipment is in good operating order.

Mr. Lewis asked if the public could be provided these numbers on the Website. Mr. McLaughlin stated they discuss all these items during their Budget Sessions. He stated there are two public work sessions and the Budget is then considered at a regular public meeting. Mr. Lewis stated there has not been a budget session since the Dalgewicz decision and they need to borrow a large sum of money and have not had a discussion about that. Mr. McLaughlin stated he feels most of these items will be included in next year's Capital Budget. Mr. Lewis stated he feels this is an out of the ordinary circumstance which would not follow the normal process, and there has not been adequate planning to consider what the impact will be on the Budget in the out years and potentially to the taxpayers. He urged the Board to let the taxpayers know about this before they vote on it.

Mr. Benedetto stated they do have a defined period of time when they have to pay back the money they paid to the Dalgewicz family, and Mr. Stainthorpe state it must be paid back by the end of the year.

Motion for the \$5.150 did not carry as Mr. Stainthorpe and Ms. Tyler were in favor, and Mr. Benedetto, Mr. Dobson, and Mr. McLaughlin were opposed.

Mr. McLaughlin moved and Mr. Dobson seconded to approve the Resolution Authorizing \$4.4 million to include the Dalgewicz settlement, the Golf Course, Township facilities, and \$250,000 for engineering, architects, and construction management for the Senior Center.

Mr. Benedetto asked if they have to delineate specifically what they are going to use the money for; and Mr. Stainthorpe stated while they do not, and they can use it for whatever they want other than the Dalgewicz settlement, he wanted to keep it in the context of how the Board was discussing it.

Ms. Tyler asked that they consider increasing this by \$250,000 for the all-inclusive playground. Mr. McLaughlin stated they do have \$150,000 to build Phase I, and they could look at this during the Budget season to determine when Phase II could be constructed. Ms. Tyler stated due to the nature of this playground, it is very difficult to piecemeal because of the flooring surface. She stated this is also something that they do not have in the Township, and it would serve an under-served portion of the Township population.

Mr. Benedetto asked how much the playground next to the Pool cost, and Mr. Fedorchak stated while it was constructed before he came to the Township a lot of the materials were donated and there was a significant volunteer effort in the construction of it.

Mr. McLaughlin moved to Amend the Motion to \$4.65 million and to include the playground. Ms. Tyler seconded. Motion carried with Mr. Benedetto opposed.

APPROVAL OF ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE OF VARIOUS CAPITAL IMPROVEMENTS

Mr. McLaughlin moved, and Ms. Tyler seconded to approve the Ordinance authorizing the issuance of General Obligation Bonds in the amount of \$4.65 million.

Mr. Walker stated a roll call vote was necessary, and the vote was as follows: Mr. McLaughlin in favor, Mr. Dobson in favor, Mr. Stainthorpe in favor, Mr. Benedetto opposed, and Ms. Tyler in favor.

Mr. Rubin asked if the Bond issue will be a fixed rate, and he asked the term. Mr. Stainthorpe stated it will be a fixed rate, and it will run through 2032.

APPROVAL OF EXTENSIONS TO FIRST BAPTIST CHURCH OF NEWTOWN,
DOGWOOD DRIVE, JOSEPH JENNINGS, AND FIELDSTONE AT LOWER MAKEFIELD

Mr. McLaughlin moved, Ms. Tyler seconded and it was unanimously carried to grant an Extension of time to the First Baptist Church of Newtown t/a “Grace Point” to October 15, 2013.

Mr. McLaughlin moved, Ms. Tyler seconded and it was unanimously carried to grant an Extension of time to Dogwood Drive to December 31, 2013.

Mr. McLaughlin moved, Ms. Tyler seconded and it was unanimously carried to grant an Extension of time to Joseph Jennings to October 31, 2013.

M. McLaughlin moved, Mr. Dobson seconded and it was unanimously carried to grant an Extension of time to Fieldstone at Lower Makefield (Quaker Group) to October 31, 2013.

Mr. Garton stated the Board met in Executive Session for thirty minutes prior to the meeting to discuss Zoning Hearing Board matters and the status of Police negotiations.

ZONING HEARING BOARD MATTERS

With regard to the Barbara Modzelewski Variance request for the property located at 116 Dolington Road in order to permit construction of a shed resulting in greater than permitted impervious surface, it was agreed to leave the matter to the Zoning Hearing Board.

With regard to the Pamela Zamel Variance request for the property located at 1435 Robinson Place in order to permit construction of a fence within the floodplain, it was agreed to leave the matter to the Zoning Hearing Board.

SUPERVISORS REPORTS

Mr. Stainthorpe stated the Zoning Hearing Board had the final Hearing last night on the Satterthwaite House and the Variances requested. He stated they did not vote as only four members were present. All Testimony has been completed. He stated they will have a special meeting on August 13 at 7:30, and a vote will be taken at that time.

Ms. Tyler stated the Lower Makefield Swim Team would like everyone to participate in their Food Drive to benefit the Penndel Food Pantry, and non-perishable goods can be dropped off at the Pool until this Friday. Ms. Tyler stated on Thursdays through October, the Farmer's Market will be held at Veterans Square. She stated there will be a Senior Health Fair in September. She stated also in September will be a storm preparedness seminar to benefit the residents and additional information will be provided in the future.

DISCUSSION AND DENIAL OF CONTRACT FOR PURPOSE OF CONDUCTING A WEDDING EVENT AT THE PATTERSON FARM

Mr. Fedorchak stated a month ago he was approached by Bonnie Benedetto and her sister Bobbie who is present this evening with her fiancé and they asked the Township to consider having their wedding at the Patterson Farm. Mr. Fedorchak stated he met with them on the site and reviewed possible locations, and what is being proposed to the Board is to have the wedding on the Janney-Brown farmhouse side in the area between the main house, which is currently occupied by the Artists of Yardley, up to the barn. Mr. Fedorchak stated he understands that there will be a tent there, and there will be approximately one hundred or less guests.

Mr. Fedorchak stated he does not foresee any problems, and he feels they could accommodate this activity at the pleasure of the Board.

Mr. Fedorchak stated he did contact the Artists of Yardley and discussed the proposal with Maggie Robinson, the Chairman of the Board, who indicated that they would welcome the wedding.

Mr. Fedorchak stated an Agreement has been prepared a copy of which they sent to Bobbie and her fiancé, and Bobbie was present and asked about the restrooms. Mr. Fedorchak stated the Agreement did require that they would have to provide restrooms; however, they have since had discussions with Ms. Robinson who indicated they were comfortable with allowing the wedding guests to use the bathrooms in the Janney-Brown farmhouse so that requirement can be stricken from the Agreement.

Ms. Tyler asked Mr. Garton to review the terms of the Agreement. Mr. Garton stated the Township is agreeing for a short time in the month of September to rent a portion of the property at the Patterson Farm for them to conduct a wedding. The exact location will be as depicted on the Plan attached to the Agreement. It also states that under no circumstances do they have access to the barn or any of the other outbuildings aside now from using the restrooms at the main house.

Mr. Garton stated they cannot place vehicles on adjoining streets, and must prevent their guests from meandering around. If they park on the street, their vehicles will

be removed. He stated they can erect the tent no more than three days prior and must remove it two days after the event. He stated the Township is not providing anything toward this event. He stated they are responsible for any damage that occurs. He stated the period is September 26 and ending September 30 and is limited to 11:00 and they cannot have noise that bothers neighbors. He stated they are posting a \$1,000 security deposit, and they are paying \$750 for the rental. He stated they can have no more than 200 people. He stated they cannot attach any decorations to the buildings. He stated they are providing cigarette/ash containers and there can be no smoking other than at that location. He stated they are indemnifying the Township and will have insurance against liability. Ms. Tyler asked if the Township will be an additional insured on the policy, and Mr. Garton agreed.

Ms. Tyler moved to Approve the Contract. Mr. Benedetto stated he is recusing himself from this matter and will not vote on it. Mr. Stainthorpe seconded.

Mr. Rubin asked Mr. Garton if his law firm drew up the Agreement, and Mr. Garton stated Mr. Fedorchak asked him to prepare it, and he did. Mr. Rubin asked if this is an additional billing to the Township or is this part of a retainer. Mr. Garton stated he does not have a retainer; and it was an hour's work and his rate is \$140 an hour. Mr. Rubin asked if it would be \$750 income minus the \$140 they are paying Begley Carlin, and Mr. Stainthorpe stated they could look at it this way.

Mr. Moffa asked where the people will park, and Ms. Tyler stated they will park on the grass adding they have had events there before. Mr. Moffa asked if alcohol will be allowed to be served, and it was agreed that it would.

Motion did not carry as Mr. Stainthorpe and Ms. Tyler were in favor, Mr. Dobson and Mr. McLaughlin were opposed, and Mr. Benedetto did not vote on the matter. Mr. Stainthorpe noted that a tie vote fails.

Mr. Stainthorpe asked Mr. Benedetto if he would like to reconsider recusing himself. Mr. Benedetto stated he will not recuse himself and would vote in favor. Bobbie asked that her brother-in-law not change his mind and he should continue to recuse himself.

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There being no further business, Mr. Tyler moved, Mr. Stainthorpe seconded and it was unanimously carried to adjourn the meeting at 10:05 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'D. McLaughlin', with a long horizontal flourish extending to the right.

Dan McLaughlin, Secretary