

TOWNSHIP OF LOWER MAKEFIELD
BOARD OF SUPERVISORS
MINUTES – NOVEMBER 18, 2009

The regular meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on November 18, 2009. Chairman Maloney called the meeting to order at 7:35 p.m. Mr. Caiola called the roll.

Those present:

Board of Supervisors: Matt Maloney, Chairman
 Ron Smith, Vice Chairman
 Greg Caiola, Secretary
 Pete Stainthorpe, Treasurer
 Jason Simon, Supervisor

Others: Terry Fedorchak, Township Manager
 David Truelove, Township Solicitor
 James Majewski, Township Engineer
 Kenneth Coluzzi, Chief of Police

PRESENTATION REGARDING TOYS FOR TOTS CAMPAIGN

Mr. Stainthorpe stated he was contacted last week by MediMedia, a medical publishing company in Lower Makefield, which is one of the major employers in the Township and is sponsoring, along with the Marines, the Toys for Tots Program in the area.

Ms. Gloria Cross was present and stated they have been here since 2002, and recently moved their corporate headquarters to the Township; and hire in the local community approximately 500 employees. She stated they made a decision in 2002 that they wanted to be involved in the community working with the Marines on the annual Toys for Tots Campaign. She stated this program has progressed every year, and they would ask that the Township partner with them. She stated they made a decision in 2004 to sponsor bikes and last year donated over 600 bikes and 600 toys. She stated her colleague, Karen Roman, negotiates prices for bikes with local vendors; and they are able to buy bikes of every size for \$35, fully assembled. Ms. Cross stated their scheduled pick up is December 9. She stated they have a police escort which leads a Marine convoy of vehicles to their office to pick up the donations. Ms. Karen Roman stated that these are challenging times with many people unemployed and parents deployed overseas, and they need everyone's help.

PUBLIC COMMENT

Mr. Gary Cruzan, 729 Stewart's Way, asked about the Appeal of the lawsuit for the land at the Golf Course. Mr. Truelove stated they have been involved in Court-imposed mediation with the landowners. He stated while he cannot reveal all the negotiations, there was a good faith attempt on the part of the Township to resolve the matter; and the Township received a very belated and insubstantial response. He stated they are filing Briefs in the Commonwealth Court, but are still hopeful of discussions with the landowners. Mr. Cruzan stated he feels this will be a very hard case to win as it was a jury verdict. Mr. Truelove stated one of the issues is whether a jury should have heard this. Mr. Cruzan stated he is concerned that if the Township should lose the case, it will result in \$2.8 million with interest; and since this is Budget time, he feels one of the biggest problems facing the Township is how they will deal with this. He stated he feels the Board should begin working on contingency plans. Mr. Truelove stated the Board is very mindful of this and has discussed this in detail.

Ms. Kathy Parisimo, 152 Knightsbridge Drive, stated people are increasingly parking in the fire lanes at the shopping center at Kohl's; and asked if they could put up small signs on the pillars indicating that there can be no stopping for any reason. She stated this is occurring particularly at the corner where you have to turn and other drivers have to go around them. Mr. Truelove stated this is private property, but they could make suggestions to the property owner. Mr. Stainthorpe stated they do have jurisdiction over enforcing no parking in the fire zone, and Chief Coluzzi stated they will address this. Mr. Stainthorpe asked that they look into this at the other two shopping centers as well. He stated these drivers who are not parking in designated parking spaces are causing problems for other people. He feels cars doing this should be ticketed. Ms. Parisimo stated there is ample parking at the shopping centers. Mr. Simon stated he would like the property owners to be contacted about installing signage. He stated he is concerned about the safety issues involved with people doing this. Mr. Smith agreed and also asked if there is a way to slow down the traffic in the Kohl's shopping center. Chief Coluzzi stated he and Mr. Fedorchak have contacted the management of this shopping center asking them to look into the design of the parking lot.

Mr. Steve Santarsiero, 530 S. Ridge Circle, announced that the Township has received a \$250,000 Grant from the DEP from Pennsylvania Conservation Works which is the Grant program which was set up with stimulus dollars for conservation projects throughout the Commonwealth. He stated this will be used for LED lighting throughout the Township which will result in energy savings and operation and maintenance savings totaling \$50,000 per year for the Township once the lights are installed. He stated the funds should be transferred by the end of the year. Mr. Santarsiero stated there were 500 Applications Statewide and only 99 were awarded. Mr. Maloney thanked Susan Mazatelli for her hard work writing the Grant.

Mr. Bo Birkhead, PAA Commissioner, and Mr. Drew Rupersberger, President of YMS Soccer, were present. Mr. Birkhead stated he is present to speak on behalf of all the athletic user groups. He stated the Park & Recreation projects have been in the planning stages for years, and he understands that the Park & Recreation Board has recommended to the Board of Supervisors that these projects move forward. Mr. Birkhead asked at what point they will be approved by the Board of Supervisors to be completed. He stated the athletic programs are continuing to expand, but the facilities are not keeping pace with a growing population. He stated PAA has over 1500 participants and YMS has over 2000 participants with a total of 7,000 possible voters in the Township.

Mr. Rupersberger stated he has been a part of YMS since 1979 as a player, coach, referee, and Board member and seen the program grow from four travel teams in 1979 to over fifty-seven travel teams. He stated they had over sixty in-house teams this year. He stated as the Club has grown, and they have outgrown the facilities that can house them. He stated the in-house program has had to use a local elementary school, and they do not have control over the maintenance of those fields which have become dilapidated over the years. He stated one age-group has to play in the middle of a neighborhood on an isolated field. He stated they are looking forward to having new field space and the ability to have all the players play together.

Mr. Caiola asked how many of the players in these organizations are Township residents. Mr. Rupersberger stated because of the travel program, they are 80% to 85% Township residents. Mr. Birkhead stated in PAA in the softball program there are some travel teams where it is 55% to 60% residents; but there are only 100 girls in this program. He stated the rest are strictly Township residents except for possibly two players participating in travel baseball. Mr. Simon stated for the in-house programs it is probably close to 100%; and both Mr. Rupersberger and Mr. Birkhead agreed. Mr. Simon stated the in-house programs are sizable, and Mr. Rupersberger stated the in-house program for YMS is bigger than the travel program.

Mr. Smith stated for many years prior to being a Supervisor, he was present on behalf of YMS making similar requests before a prior Supervisor Board. He stated YMS did put in a turf field at their own expense to save the Township money. He stated this is "Budget-crunch time;" but he does feel that Memorial Park could be used to solve some of the problems. He stated there are some restrictions on that Park. He stated at the current time the Park is not being used; and on a short-term basis until the economy turns around and they can build Snipes fields, this may be an option for the athletic organizations to use. Mr. Smith suggested that the Board of Supervisors consider opening up Memorial Park for soccer and baseball so that the Park is more utilized.

Mr. Maloney stated very few of the fields have been developed at that Park with the exception of possibly one or two ball fields. He stated grading and other work would need to be done to construct a field. Mr. Simon stated the softball/baseball field that was

built at Memorial Park is unplayable for League play because the pipeline runs through Memorial Park and you cannot fence the baseball field in. He feels that Park is really recreational. Mr. Smith stated for younger players, he feels they could use the softball field, and not much is needed to open up a soccer field. Mr. Maloney stated the field would have to be flat.

Mr. Caiola stated there has been discussion about wants and needs, but as the programs grow, the wants turn into needs when there are children who need to go to other Townships to play sports when they should be able to play in their own Township since they are paying taxes here. He stated he feels there comes a point when they need to proceed with these projects even in tough economic times. He stated this would improve property values and provide better recreation with over 3,000 families being positively impacted.

Mr. Maloney stated the debt payments would be fixed over a twenty year period.

Mr. Rupersberger stated their concern is that they are already maxed out, and they do not have the facilities for the players they have now, and registration continues to grow.

Mr. Smith stated YMS had previously sent a major portion of their travel program out of the Township to play their games. Mr. Rupersberger stated YMS also hosts two huge tournaments every year that brings in over 500 teams from across the Country and they have to use fields in Upper Makefield and New Jersey. Mr. Smith stated even when there are no tournaments, home games had to be played outside of the Township during the regular season. Mr. Maloney asked if revenue is brought into the programs when they host tournaments, and both Mr. Birkhead and Mr. Rupersberger agreed that they do. Mr. Birkhead stated PAA hosts tournaments that consist of fifty teams in a year, and he plans on making an effort to grow this to five to six next year. He stated they are in competition with other Townships in the area to host these tournaments; and those Townships have field groomers which make a huge difference in field condition. He stated PAA is fundraising to purchase these machines which cost \$15,000 per unit. Mr. Birkhead noted the Art Coleman Memorial Softball Tournament is the largest tournament in the Northeast United States and brings in over two hundred college recruiting coaches. He stated this involves 150 teams in a four-day period.

Mr. Birkhead stated the Park & Recreation Board has recommended moving ahead with a number of projects, and he asked at what point these will be approved by the Board of Supervisors to be completed. Mr. Maloney stated they discussed this matter in May and stated these programs were envisioned at a time when they were going to make plans without worrying about the financial consequences as the Township had funds from developer fees and other revenue influx which has since dried up. He stated he had asked for Five Year Plan presentations which they had in a number of vital areas; and now they are airing in front of the public what they feel are the needs over a five year horizon

which he feels is forward-looking for the Township. He stated Mr. Fritchey has indicated that the Township has invested several million dollars in the land already by virtue of the Township's ownership, and for the most part the properties are just sitting there when the intent was to build facilities. He stated he feels the Board of Supervisors needs to now decide what plans are actionable and which are not.

Mr. Maloney stated the Board of Supervisors heard two divergent stories from two key five year plans – one from Public Works Department and the other from Park & Rec. He stated he feels there is value for baseball, soccer, and football fields and knows what the Township does not bring to the value equation when it comes to property value in terms of the quality of recreational facilities. He stated looking at the demographics that are emerging in the Township, they know who they need to be appealing to, to market the Township. He stated everyone in the community will benefit from this since it is investing in the capital value of the Township, and this is value investment for the Township long term. He stated if anyone disagrees with this, they are ignoring the decisions a young family makes when they move into a new community. He stated one of the valuable arguments he hears cited is the lack of an earned income tax. He stated this is a financial argument, but in terms of the quality of life, fields are a long-term infrastructure investment which add value to the properties that are in the Township.

Mr. Maloney stated the Board also heard about the leaf recycling/yard waste programs, and they were told that they cannot sustain themselves at the current revenue/expense balance. He stated they were told they would either have to significantly raise the revenue side of it or consider a different dynamic for getting rid of yard waste.

Mr. Maloney stated they have been able to sustain themselves for a long time with the 90% State subsidy programs, but these have begun to evaporate over the past few years. He stated they have been told that the program will run out in a couple of years after which the Township will have to spend numbers close to seven figures to purchase capital equipment for the Township to run the program. He stated every other Township uses waste haulers to haul away recyclable material from yards, and he questions why Lower Makefield is not doing the same thing. He stated he feels that there is an easy argument to be made that rather than wait for the program to run out or double the leaf assessment, they should terminate the program now and go back to the waste haulers who are already telling the residents that they will haul the waste away. He stated for about 2,000 residents they are already doing this.

Mr. Maloney stated currently the Township charges a \$40 per house assessment for the leaves, and this is exactly what the \$1 mill increase is that Ms. Liney indicated they would need to fund the park improvements for a \$6 million bond issue. He feels this is a perfect opportunity from a revenue neutral perspective as far as the tax base is concerned, to allow for the construction of the fields and the investment of the Township; and at the same time not create a net tax burden on the residents anymore than they already have.

Mr. Simon stated he feels that the leaf assessment has run its course. He stated a number of residents raised concerns about the program when the Board had the presentation in August. He stated in many ways people are already paying double because they are paying their collector a fee to come to their homes for regular garbage collection, and the leaf collection is part of that process. He feels the cost of money is cheap, and the opportunity to make the project happen is now. He stated with the elimination of the leaf program, the transfer of the mill makes sense. He stated his daughter plays in the U-11 travel program where there are 48 children. He stated he feels the program impacts the community in ways that people cannot see. He stated families are involved and in these economic times, this is a big part of the fabric that creates the community. He stated he has had reservations about the leaf program since the Board discussed it; and he feels this is a good opportunity to make a good decision about this leaf program, and avails the Board the opportunity to take care of the field allocation plans.

Mr. Caiola stated he agrees and he feels they should do something that will have a long-term positive impact on the community and it will be revenue neutral. He stated he feels the impacts on the community will be substantial because of the numbers of children involved in the programs. He stated he feels it is the expectation of the community that they have great recreation, beautiful open space, and enough shopping to keep residents in town. He feels the Supervisors have a responsibility to make sure that all these things can be paid for without an incredible hardship to the taxpayers. He stated everyone benefits from a solid recreation program either directly or indirectly.

Mr. Stainthorpe stated he does not feel they are in a position to make any decisions this evening. He stated in terms of the leaf collection, there is another constituency that needs to be heard from as there are a lot of people that want their leaves picked up, and there are a lot of people who may not see the wisdom of trading leaves for recreation. Mr. Stainthorpe stated he also feels some of the Park Plans need to be revisited. He noted particularly Memorial Park and stated prior to 2001 and before the Memorial was envisioned, it was called North Park and it was always meant to be for passive recreation such as pick-up games, picnic groves, etc. He stated the Park has been there for three years, and there are no pick-up games taking place, and the basketball courts are not used. He stated since some of the infrastructure is there, perhaps the uses need to be re-thought; and if they are going to move forward, he would be in favor of finishing that Park first before moving onto something else. He stated just because it was envisioned twelve years ago for one use, does not mean that they have to stay with that. He stated he feels there are a lot of creative solutions; and he does not feel they can state that ending the leaf collection will take care of their Park & Rec needs until they hear from other people who may have different opinions.

Mr. Simon asked Mr. Birkhead and Mr. Rupersberger if they feel that Memorial Park would be sufficient as he does not feel it is enough. Mr. Rupersberger stated he does not feel that it is enough.

Mr. Stainthorpe stated he is not suggesting that this would be it; but in terms of how they move forward, he feels it would be foolish to say they are keeping Memorial Park for picnic groves and pick-up games and not allow it to be used for Leagues. He feels there are short and long-term needs. Mr. Rupersberger stated this is why he feels it is so important that they do these projects now. Mr. Stainthorpe stated he was not advocating not doing things, but was just discussing priorities of how they do them.

Mr. Caiola stated he agrees with Mr. Stainthorpe, and added that if all these projects are between \$5 and \$6 million, they should make sure that the money is spent as wisely as possible and there may be other alternatives that they were not looking at a few years ago that may have arisen since then, but with the same objective in mind which is to make sure that they have enough fields for everybody.

Mr. Simon stated he does not want to be short-sighted, and agrees with the concept of what has been discussed; but if time and effort has been spent on engineering and design and lay out of potential new ballfields and reclamation on some existing fields, he does not want to piecemeal this. He stated what is before them now has been on the docket for a period of time, and he feels the opportunity to execute against that is available to the Board. Mr. Simon stated re-purposing one of the facilities in the Township is one thing, but there are other things that have been planned, and he does not see why they cannot move forward on that.

Mr. Maloney stated he agrees that it should not be piecemealed as this is what has been done over time and is how nothing gets done by refusing to do any significant sum of this at once. He stated it would be feasible and reasonable to consider as part of what he is suggesting to bring Memorial Park back to the Park & Recreation Board and the Township engineer; and he feels they would be able to act quickly in concert with the Leagues to redesign that Park.

Mr. Maloney stated they still have a Budget they need to advertise this evening; and that Budget should in principal reflect what the Board's intentions are for 2010, so it is the Board's job tonight, if there is agreement to revise that Budget, to make those revisions now and advertise it as he has suggested. He stated if there are other opinions at that point, everyone does need to have an opportunity to speak, and he is not suggesting that they pass a Resolution tonight to issue a \$6 million bond; but is suggesting that the Budget they pass tonight reflect what he has suggested. This would mean that the public would have their opportunity to share their opinions on these matters when the Board votes on the Budget on December 9.

Mr. Smith stated the revenue from the soccer tournaments does go to pay off the turf field they put in at Macclesfield. Mr. Smith stated he feels they need to have the Park & Rec Board revisit Memorial Park. He stated he recalls that the surrounding residents had indicated that they did not want it to be another Macclesfield Park, but the facility is

underutilized. He stated he does not feel they would lose the passive nature of the Park by getting more use out of it. Mr. Smith asked that Mr. Fedorchak convey this to the Park & Recreation Board. He stated currently tax dollars are going for a Park that is way underutilized.

Mr. Birkhead stated they should also consider Samost, Stoddart, and Snipes.

Mr. Joe Menard, 917 Putnam Drive, stated when they discuss transferring the \$40 leaf fee to Park & Recreation, the cost to the homeowners will stay the same. He stated they will be transferring a Municipal cost to a personal cost. He stated the taxpayers will therefore still have a \$40 increase. Mr. Maloney stated he agrees there is an economic cost to doing these things. He stated the leaf assessment is currently insufficient long-term. He stated with the current economics in place, they would not be changing the tax bill, but to the extent that the hauler does not collect enough revenue currently to pay for the disposal of leaves for all 10,000 homes, this will be something that has to be passed on back to the consumer. He stated this is coming anyway and either the Township will have to severely escalate those assessments or they will have to pass it back to the haulers. Mr. Menard stated he only wanted to raise the fact that there will still be a cost.

CONSIDERATION AND MOTION TO ADVERTISE PRELIMINARY BUDGET

Mr. Brian McCloskey, Finance Director, was present. Mr. McCloskey stated they have been working on the Budget for more than two years with the Township Manager and the Citizens Budget Commission. He stated they are feeling the effects of the local and National economy, and the recession is still very much in play. He stated their numbers are very conservative, and the Budget is very tight for 2010.

Mr. McCloskey stated there will be no sewer rental increase in 2010, and they have begun the creation of a capital reserve within the sewer system. He stated there are no Pool Membership increases.

Mr. McCloskey stated they are recommending a .4 millage increase to the Township's General Fund. He stated they are also recommending transferring ¼ mill from the Park & Rec Fund to the Township General Fund in an effort to maintain safe harbor. He stated they are also recommending the long overdue institution of a local services tax, sometimes known as an emergency services tax, of \$52 on all people working in the Township.

He stated in 2010 revenues are expected to remain flat. He stated a big revenue line item is the deed transfer tax, and the housing market is the driving force behind the recession; and it will be the driving force to any recovery barring short-term impacts of stimulus.

He stated they have budgeted the deed transfer tax at historically low levels for 2010; and until those revenues come back, they do not see revenues increasing.

Mr. McCloskey stated there are no planned personnel services increases in terms of additional employees or wage increases. He stated the financial markets have had a negative impact on the Pension Plans, and the Township is required by law to fund those Pension Plans at minimum levels. He stated the minimum level in 2010 has increased over 61% or \$335,000 that the Township must fund; however, once they adjust for the additional Pension contribution and some other expenditures that are funded by Grants, the 2010 General Fund operating expenses are Budgeted below 2009 levels.

He stated the Budget does include the postponement of hiring three Police Officers which were replacement positions; and as opposed to hiring them the beginning of the year, they are recommending postponing their hiring until mid year which would save \$60,000 in 2010.

Mr. McCloskey showed a chart of the 2010 proposed Budget millage allocation.

He stated the General Fund will go from 9.5 to 10.15. He showed a slide showing the General Fund Budget from 2003 going forward showing that the Township has routinely Budgeted expenditures to exceed revenues every year. He stated this was also true back into the 1990's. He also showed a chart showing General Fund expenses, and stated they have been very close; and in many cases, slightly under the General Fund expenses.

He stated historically their actual revenues have come in higher than budgeted every year for the last ten years, and this was funded primarily from developer's fees and from the real estate deed transfer tax. He stated development is now very minimal, and the deed transfer tax is at historic lows; so he does not feel they can count on actual revenues exceeding budgeted revenues into the near future. Mr. McCloskey showed a chart showing the last five years of the real estate deed transfer tax, and five years ago they were just under \$2 million, and for 2009 it was \$941,000.

Mr. McCloskey showed a chart illustrating the expenditures. He noted "Interfund Transfer" which shows 6% in 2009 and in 2010 this will be 9% which is the impact of the minimum pension obligations the Township is obligated to pay. He stated this amount is \$335,000, and they are recommending funding that additional expense by a transfer out of the Capital Reserves.

Mr. McCloskey showed a chart of what the impact would be if there was no millage increase and no changes in services which would result in a shortage of almost \$400,000 in the General Fund to reach the desired safe harbor limits. He stated they will have a positive ending fund balance in 2010. He stated safe harbor is the term that measures the ending fund balance and the minimum level you want to achieve is approximately 5%, and this is 5% of your budgeted revenues. He stated this allows you to have a decrease in revenues of 5% and not have a negative impact on the balance sheet. He stated without any millage increase or any change in service levels, the Township would be in a very

precarious situation in 2010. He stated in the recommended Budget they have proposed the transfer of a quarter of a mill from Park & Rec with an impact of \$125,000. Postponing hiring of the three replacement Police Officers will net approximately \$60,000, and the .4 millage increase to the General Fund will net \$200,000. He stated even with these cuts and the additional millage, they will just be under safe harbor; but they will be in a better position to withstand any changes.

Mr. McCloskey stated the proposed Budget does not take into consideration the Park & Rec expenditures just discussed and changing the leaf program.

Mr. McCloskey stated the other funds supported by Real Estate taxes: fire hydrant, Park & Rec, debt service, and ambulance will end 2010 with a positive fund balance; and they are not recommending any increases to those funds. He stated by transferring the ¼ mill from Park & Rec, they will be utilizing some existing fund balances; and it will still be positive for the next couple of years based on today's numbers, all things being equal. He stated this would not allow for any capital in 2011 or 2012, although there are some small capital projects in 2010 that are funded despite the transfer.

Mr. Maloney stated the Park & Rec transfer is new from the preliminary discussions, and Mr. McCloskey agreed. Mr. Maloney stated originally they were Budgeting Park & Rec to have expenditures exceeding revenues by about \$60,000 and when they transfer this ¼ mill, they are losing \$125,000 out of revenue and asked if they are now running a deficit on a cash basis of \$200,000 or are they cutting items from the expenditures. Mr. McCloskey stated they have made other cuts within Park & Rec. He stated there will be no unfunded Special Events in 2010, and they have taken out Community Pride Day and the Veterans' Parade; and anything that is not 100% funded cannot be subsidized by the Township in the proposed 2010 Budget. Mr. Maloney asked if there are any other events that would be impacted, and Mr. McCloskey stated other events would be Movie Nights, "Midnight Madness," etc. He stated these events cost the Township approximately \$75,000. He stated the rest is from the existing fund balance. Mr. Maloney stated originally they were showing a fund balance of approximately \$300,000; and Mr. McCloskey stated now it will be approximately \$240,000 in 2010.

Mr. Smith noted the anticipated deed transfer tax for 2009 which is less than \$1 million, and he asked if this included the monies received for the sale of the property where the hospital is proposed; and Mr. McCloskey stated that occurred in 2008.

Mr. Smith asked if the Golf Course is making money and paying their bills. Mr. McCloskey stated the Golf Course is paying its bills and generating cash to do so on its own with no subsidies from the Township. He stated this includes \$1million a year of debt service. He stated from an accrual basis of accounting, they are running a deficit and this is a paper loss. Mr. Maloney stated they have cash reserves to fund downturns

but it is not sustainable long term and eventually they will dwindle down the cash reserve.

Mr. Stainthorpe stated at the last Budget Workshop he had asked what would happen if they had a no-increase Budget. He asked if they were to have a no millage increase Budget, where would they have to make cuts to make this work. He stated while they may eventually decide they do not want to make these cuts, he would still like to see them. He stated he recognizes that this may involve reducing the number of employees in a few Departments or delaying hiring the Police Officers for a year as opposed to six months. He stated he is not indicating that they have to do these things, but he feels they should consider this.

Mr. McCloskey stated without a millage increase and minimum service cuts, the next step would be personnel. He stated the scenarios he has shown do not include any other service cuts including personnel. Mr. Stainthorpe stated he would like to see a recommendation from the Township Manager and the Finance Director as to what those other cuts might be. He stated he does not want to lay off anyone and this is the last thing he would want to do, but feels they owe it to the taxpayers to look at and consider every option. He stated it might be that whatever service cuts they would have to make would not be acceptable. He stated he and Mr. Fedorchak have discussed that if someone is cut from Planning and Permits, approval time may go from ten days to thirty days and residents may not be happy with that, but he would still like to see where cuts could be made.

Mr. Maloney asked what he is looking for. Mr. Stainthorpe stated he would like to see where cuts would be made and what that would do to services. Mr. Fedorchak stated the staff's recommendation would be to make the .4 mill increase making the adjustments as Mr. McCloskey has outlined with no reduction in personnel. He stated he will not recommend delaying the hiring of the three replacement Police Officers.

Mr. Smith stated YMS and PAA representatives have asked for new fields; and while he recognizes there is a need, the Supervisors are faced with making a decision on what is more important – replacing Police Officers or putting in more fields. Mr. Maloney stated there is a difference between operating expenses and infrastructure investing and capital investing. He stated you cannot delay a capital expenditure once you have begun to pay off the debt; and if you are going to invest in something that is paid for via debt, that debt service is an obligation throughout economic down cycles; but he added it is important that you keep your operating costs matching with your operating income, and to the extent that they want to fix the operating income at a certain threshold, they need operating expense to match. He stated a capital expenditure in that way becomes a fixed overhead cost as opposed to variable costs like staff which are a decision that is made year in, year out just like the Community Pride Day would be as ways to balance the Budget on a cash basis to shore up the solvency of the system on a one year basis.

He stated it is not a choice between the two since one is an infrastructure investment. He stated when they build the fields, on the Balance Sheet Mr. McCloskey will increase the asset side of the balance sheet since the Township will have invested in capital and has an increased asset for the Township. He stated when the Township pays another person's salary, they do not create another asset on the balance sheet, and it is a different financial equation.

Mr. Smith stated when the residents get their tax bills, they do not see an increase in assets, they see an increase in their taxes. Mr. Maloney stated they would see an increase in their property valuation. He stated if anyone is lost on this, he can give a lesson in business and economics. He stated property values go up and rating agencies look at things like this because they view it as the value of the Municipality itself.

Mr. Caiola stated the Township is looking to add approximately \$16 to \$18 a year per household to keep the Township running at the current level with the current staffing and current service level. He stated he feels this is a nominal fee for where we live. He stated the Board has a responsibility to make sure that they provide what the residents expect every year. He feels people would rather pay a few more dollars as opposed to having an individual cut from the Township staff. He stated the Budget now is less than it was two year ago and asking people to pay \$16 to \$18 more for these services does not seem unreasonable.

Mr. Smith stated they are also asking people to pay with the other tax they are proposing to impose as well. He stated he recognizes that the proposed Budget did start out with a 1.5 mill increase, and it has been narrowed down to .4 mills. Mr. Smith stated they are still proposing imposing a tax of \$52 a year on people who are working in the Township and make over \$12,000 a year. He stated he appreciates the work that has been done to narrow down the millage increase; but added this is a recession and people are suffering in the Township, and they are proposing to raise the millage.

Mr. Caiola stated the Township staff and others have been working on this for nine to ten months, and it is time to make a decision.

Mr. Stainthorpe stated they do not have to make a decision tonight. He stated he agrees that they are talking about \$16 to \$18, and he applauds the Township staff for getting this down from 1.5 to .4; but he still feels the Board of Supervisors need to look further, and he is only asking for additional information. He stated he is asking what Departments personnel cuts would need to be made in and what this would do to services.

Mr. Simon stated he feels the Township is running very lean now, and there is a resident population that has an expectation of services. He stated he is uncomfortable with impacting the safety of the Township through head count reduction on the Police force or other emergency services. He stated they will be replacing Police Officers who were

paid at a higher rate with entry-level patrolmen who will be coming in mid year which will result in a lower Budget for 2010 from 2009. He stated he does not know where reductions would come from without cutting into personnel. He stated he does not feel for \$18 a household to retain that employment opportunity is asking too much. He stated the Township has a high demand of service and this is what they have been paying into for years. He stated despite the tough economy, the Township services have to go on. He also stated when they are considering cutting Community Pride Day and the Veteran's Day Parade, they are cutting things that they have heard from residents that they enjoy, although they have also heard from other residents that this is an expenditure they would prefer not see happen. He stated he does not feel that a .4 mill increase is a huge burden regardless of the economic time. He stated \$18 is equivalent to a night at the movies, and they should recognize that this is what they are asking people to consider paying to maintain service levels.

Mr. McCloskey stated the Township has been criticized for not having long-range Plans; but this is incorrect as they do have these. He stated the Pension amount that must be funded of \$335,000 is not just for one year – it is for two years until the valuations are done again in 2011. He stated he feels this is a forward-looking Budget, and they must consider more than just 2010.

Mr. Smith stated he still feels there are things that they can consider cutting. He noted the Township Newsletter. Mr. McCloskey stated they have included only one edition as opposed to two for next year. Mr. Smith stated they could look into doing this on-line as opposed to sending it out which results in postage and reproduction costs. He stated he feels they should look again at the Budget to see what they can reasonably consider cutting, keeping the existing services to the best of their ability. He stated taxation should always be the last option.

Mr. Maloney stated Mr. McCloskey and Mr. Fedorchak with consultation from himself and Mr. Caiola have been working on the Budget for eighteen months. He stated they have continually cut items; and although he is not comfortable with all the cuts made, he will vote for it because he feels it is what they have to do to get things done. He stated he feels it is disingenuous to pretend that they are going to preserve the level of services, and does a disservice to the Township staff who have been working to make these cuts for the last eighteen months. He stated not hiring the three replacement Police Officers for six months is bad policy; but they are doing it so they can get a Budget passed. He stated while this is the wrong thing to do, this is a compromise.

Mr. Stainthorpe stated he did not indicate that he would vote for or against the Budget. He stated he feels there is nothing wrong with asking for information. He stated he is not saying they should lay people off, but he feels they should look at how the Departments might function with less people. He stated when people get nervous about their jobs, he feels they work harder.

Mr. Maloney stated since the list of people to consider cutting would be a public document, everyone who would be on Mr. Fedorchak and Mr. McCloskey's list would be open to public inspection; and there are personnel issues with this. He suggested that Mr. Stainthorpe discuss this on the phone with Mr. Fedorchak, but he would not suggest that this be put on paper.

Mr. Simon stated he does not agree with the statement made about productivity when people think their jobs are at risk. He stated he feels the Township is already running very lean. He stated he also does not want a public document created that identifies even by title positions at risk. He stated he feels once you cut a service, it will not come back. Mr. Simon stated Governments run lean. He stated he agrees with Mr. Maloney that the Budgets that Governments operate on cannot be compared to private business because Governments are not in the process of driving margin and profit; and they are in the business of operating. He stated what they have come in, needs to be expended in the period of time in which that expenditure takes place, and in that period of time, the services need to be executed.

Mr. Maloney stated the Township is not in the profit-making business, and it is everyone's obligation to show up to the Township meetings to keep the Board honest. He stated it is also an opportunity for the Board to be honest with themselves about what services they should be providing and not cower behind the difficulty of raising a tax millage in a time where the revenue base is shrinking. He stated the expenditures are shrinking too, but not fast enough. Mr. Maloney stated every other revenue-making enterprise, public or private, relies on an indexed form of revenue. He stated when the economy grows and people make more money, it does not change a thing for the Township. He stated what they are talking about is adjusting the revenue needs because their expenditures have been cut and now they need to true up the revenue side. He stated the purpose of this entity is the collection of 35,000 people providing services for ourselves, and they are saying what they have is not enough.

Mr. Caiola stated they have an extremely active and helpful volunteer Budget Commission who have been since March making recommendations, some of which have put the Township in a better position now than they might have been. He stated there are more people looking at this Budget than there ever were before. He stated he agrees information should be forthcoming, but he feels they are at that point and now they have to move forward. He stated he feels it is an easier decision for the Board, because of the work done by the Township staff and others, than he felt he was going to have. He stated while he is not comfortable with these last few cuts mentioned this evening either, he is willing to support this Budget if it will pass as a result of these cuts. Mr. Caiola stated he is confident that if there was something else that could have been cut, it would have been brought to the Board's attention.

Mr. Simon moved and Mr. Caiola seconded to authorize advertising the 2010 Preliminary Budget conditioned on abolishing the leaf collection assessment for 2010 going forward and increasing the Park & Rec Budget by 1 mill for 2010.

Mr. Stainthorpe stated he feels they have “put the carriage in front of the horse,” and he feels they need to have a bigger public discussion about the leaf program before they decide to abolish it or decide to de-fund it. He stated to eliminate a program that has been part of this Township and is an expectation of service at Budget time without further input from the public is wrong. He stated he would be prepared to advertise and discuss the Budget, but would not agree to lump these two decisions in with it.

Mr. Caiola stated he feels they will have an opportunity on December 9 to discuss this.

Mr. Smith stated he feels they need to explain to the residents exactly what it means to eliminate that assessment. Mr. Maloney stated the \$40 leaf assessment is an add-on and is not millage or a percentage of the property tax. He stated it is a \$40 flat assessment of every home. He stated what they are suggesting in this Motion is this assessment would be removed from the tax bill, and they would discontinue the provision of those services to the residents; and the trash haulers, as they have currently offered to do, will take the leaves away. He stated this is a contracted service, and the Township hires temporary workers through temp agencies or landscaping agencies to provide those services; and they are not really staffed by the Public Works Department.

Mr. Simon stated the program has been funded in large part from the capital equipment perspective by Grants from the State that are no longer going to be available. He stated if the equipment would need to be replaced, it would have to come from taxpayer dollars. He stated if they do not abolish the program, a future Board would be faced with the decision to make equipment purchases between \$850,000 to \$1 million. Mr. Simon stated everyone in the Township using private trash collectors are already paying for leave collection service in their fees currently. He stated what will change is that rather than raking the leaves into the street and having the Township pick them up, the residents will have to bag the leaves, and the collector will take them. He stated currently Township residents are paying a \$40 assessment for this service whether they use it or not. He stated he is recommending that they take that assessment, abolish it, and move that over to Park & Rec so they can fund what they have discussed earlier tonight.

Mr. Harold Koopersmith, 612 B. Wren Song Road, stated he has been telling people that there will be a 1 mill increase, and he did not hear a lot of resistance. He stated he has been doing some research on other options, and he will present them on December 9.

Mr. Keith Pladsen, 1566 Brookfield Road, noted some articles in the Courier today regarding crimes which have occurred in the area. He stated he is most concerned with safety, and he does not understand why they would defer hiring Police Officers until mid

year for the sake of \$60,000. He stated he also feels the Township staff does an excellent job. He stated he would be happy to pay 1 mill to maintain the Police Department and Township staff, and perhaps do some of the Park & Rec projects they have discussed. He stated he has never used the leaf collection service.

Mr. Simon stated the three new Police Officers would be replacing three Officers, one who is deceased, and two who are retiring. He stated they must make sure that they are comfortable deferring this for six months. Chief Coluzzi stated even if they were to hire them January 1, they would probably not be working for a few months because of background investigations and Police Academy classes. Chief Coluzzi stated in 2008, the Board approved hiring three additional Officers. He stated he feels at a minimum, the Police Force needs forty officers, and they are currently at 38 Officers with only 23 Officers actually on Patrol 24/7 patrolling over 116 neighborhood developments. He stated he feels this is inadequate for public safety for the people and inadequate to keep the existing Police Officers safe because they do not get back-up quick enough in the early morning hours when they are stopping people coming from other places into the Township. He stated the Board of Supervisors recognized this as well as the increase in calls for service and increase in crime, and agreed there was a need for three Officers. Chief Coluzzi stated he indicated during the 2009 Budget discussions he would not ask for any more Officers; and he did not. He stated in the 2010 Budget discussions, he did not ask for any more Officers, and is only asking to replace the three Officers that were agreed to by the Board in 2008. He stated while he is opposed to waiting to hire the Officers mid-year, he would be willing to do so; but feels not replacing these three Officers is ridiculous.

Mr. Maloney stated if they agree that Chief Coluzzi can have the three replacements by mid-year, he can begin looking for them; and while they would prefer that he wait until June to hire them, he feels that if they find them earlier and get them through the Academy, it would not be much of a deviation from the Budget.

Ms. Kristin McConikey, 1350 Apple Blossom Drive, stated she is with the Neighborhood Watch Association and feels they need the Officers. She asked if there will be more Police overtime if they have a reduction in Officers, and Chief Coluzzi stated a reduction in the Police Department could cause overtime since they would have to draw Officers off-duty to come into work.

Mr. Dave Shuster, Bluestone Drive, stated there was a comment made that he is paying twice for leaf pick up – once to the Township and once to the trash hauler; and Mr. Maloney stated it was noted during prior discussions about the trash haulers that one of the haulers, Allied, is known to collect bags of leaves put out and they consider it part of their services, so that you are currently paying the Township \$40 and supposedly the rate being charged by the haulers also includes this service. Mr. Shuster stated they were previously told it was a violation to put out yard waste; and Mr. Maloney stated it is a

violation to put it with the main refuse receptacle, but if you put it in the brown, biodegradable bags, the waste hauler then will dispose of it appropriately. Mr. Shuster stated this was not clear when they were discussing the single trash hauler. Mr. Caiola stated the trash haulers will take this yard waste throughout the year, but now there will be more bags put out in the fall.

Mr. Zachary Rubin, 1661 Covington Road, stated he is the President of a Condominium Association which has an annual Budget which is less than 2% of the Township's Budget. He stated because of budgeted revenues which were 66% below what they budgeted two years ago for this year because of interest rates, they had to raise their Association fees \$8 per month for the year 2010. He stated they cut their expenses and are providing the services that are in the documents; but because of revenue decreases, they had to increase their monthly assessments. He stated their homeowners in the Association are paying \$96 a year, and he does not feel it is too much of a burden that they pay another \$18 per year to the Township.

Mr. Ethan Shiller, 367 Lang Court, stated he is Chairman of the Citizens Budget Committee where they had lengthy discussions about the Budget. He stated he is speaking for the Committee as a whole. He stated the Committee supports no increase as opposed to a .4 increase. He feels no personnel would have to be cut. He stated the ending fund balance if there were no increase would be \$79,000; and if they did have a .4 mill increase, they would have \$464,000. Mr. Shiller stated the Committee passed a policy which has yet to be adopted where they believe it is necessary to maintain safe harbor at 5% of the fund balance; however, in both of these scenarios, the Township will still be below safe harbor whether it is \$20,000 or \$380,000. Mr. Shiller stated they believe that in this economy it is absolutely vital to recognize that all individuals in the Township have evaluated their own budgets and contracted their own wants and needs to match what they are bringing in, and they believe that this can be done successfully. He stated there are various line items in the Budget that they believe could be reduced to increase the \$79,000 buffer to possibly \$200,000 or more. He stated for the past two years after they have finished the fiscal year and evaluated the fund balances, in each case they came with a surplus which means the fund balance had grown by several hundred thousand dollars; and he stated this could happen this year as well and it would be a surplus to build the buffer a little more.

Mr. McCloskey stated they did have a surplus last year, and they had budgeted a deficit of \$150,000 to \$180,000; and they actually had a positive position at the end of the year. He stated for the Budget this year with expenditures exceeding revenues by \$600,000, he can guarantee that there will not be surplus revenues over expenditures in 2009. He stated he does believe that they will be better than the initial Budget. He stated as the Finance Director it is his job to be somewhat conservative in revenues and expenditures. He stated the deed transfer taxes are going to be off \$300,000, and next year they have another \$330,000 for the Pension.

Mr. Shiller stated the Committee feels that there are numbers and line item details that could actually save money. He noted particularly the Newsletter which is a \$25,000 line item.

Mr. Simon stated the Township Newsletter is an essential communication device for Township residents. Mr. Maloney stated that they are trying to invest in technology so that they can eliminate these types of costs but still continue to communicate without the overhead; but the problem is they are being constrained on the end of being able to invest in the infrastructure on these types of things so it prevents them from moving these forward in a timely manner. He stated if they were given a \$50,000 to \$100,000 budget to invest in technology in the Township, they would be able to invest in tasks like this; but it would involve increasing that line item Budget for a year at a time when no one wants to do it.

Mr. Maloney stated if the Citizens Budget Committee has a list of ways to turn the .4 mill increase into a zero mill increase, they should send this list to the Board of Supervisors, and they can consider this at their December 9 meeting. Mr. Shiller stated they believe that Mr. McCloskey and Mr. Fedorchak are the most qualified to present a list of ten items they feel could be cut and allow the Board to choose. He stated the Committee will get a list to the Board of Supervisors but feel Township management should also provide a list of their own. Mr. Maloney stated Mr. Fedorchak and Mr. McCloskey have indicated that they have eliminated everything they can. He stated if the Citizens Budget Committee has a list, the Board would like to look at it.

Mr. Joe Menard, 917 Putnam Drive, stated he has been on the Citizens Budget Committee since April and feels this is one of the hardest Budgets that has been considered for many years. He stated he feels the Township management, Department Heads, and the Board have done an excellent job with the Budget. He stated he supports the millage increase that is proposed, but disagrees with the Motion with regard to removal of the \$40 from the leaf program and putting it toward recreation. He stated he would support the 4/10 of a mil increase without the transfer of the money from the leaf collection to recreation.

Motion carried with Mr. Smith and Mr. Stainthorpe opposed.

Mr. Fedorchak stated a summary of the 2010 proposed Budget will be available on line within the next few days.

APPROVAL OF MINUTES

Mr. Caiola moved, Mr. Simon seconded and it was unanimously carried to approve the Minutes of November 4, 2009 as written.

APPROVAL OF NOVEMBER 2 AND NOVEMBER 16, 2009 WARRANT LISTS
AND OCTOBER, 2009 PAYROLL

Mr. Stainthorpe moved, Mr. Caiola seconded and it was unanimously carried to approve the November 2, 2009 and November 16, 2009 Warrants Lists and October, 2009 Payroll as attached to the Minutes.

AWARD OF MANAGEMENT CONTRACT FOR THE OPERATION OF
MAKEFIELD HIGHLANDS GOLF COURSE

Mr. Maloney stated this matter was discussed at the 11/4 meeting and tabled at that time. Mr. Truelove stated it would be appropriate to move the matter off the table, adding there was a Motion before the Board to approve a Contract with Kemper.

Mr. Caiola moved, Mr. Stainthorpe seconded and it was unanimously carried to remove the matter from the table.

Mr. Maloney stated the Motion is now on the table to renew Kemper Sports Contract for Makefield Highlands Golf Course.

Mr. Stainthorpe stated he has received a number of letters for and against maintaining Kemper. He stated he feels when making this decision it must be determined what is best for the Township and for the Golf Course. He stated he feels while Applied Golf is capable, he looks at Kemper's total record over five years, getting the course off the ground, etc. He stated if they were not meeting their goals, and the condition of the course was a disaster, he would have a different point of view. He stated he does not feel there is a compelling reason to make a change at this time.

Mr. Mike Attara stated he is a partner with Applied Golf and a resident of Lower Makefield. He stated some of the staff from Applied Golf are present along with some Township residents who would be happy to speak on their behalf. He stated there are also two individuals present from Hawk Point Golf Club which they currently manage and which was previously managed by Kemper Sports. He stated it was suggested at the last meeting that a lot of the existing employees would be in jeopardy locally, and he wanted to make sure it was understood that this is not what would happen. He stated the representatives from Hawk Point could explain that during the transition of the Club, there was very little turnover, the employee morale increased, and they improved the overall operation of Hawk Point over the past year. He stated the same would hold true at Makefield Highlands where their objective is to offer more on-site management and direction for the employees, not to work against them. Mr. Attara stated they are a local company which is community-driven. They are connected to the Golf Course on a daily basis, and someone from upper management will be there on a weekly basis. He stated

he and his partner have forty-five years of experience between them managing golf courses. He stated this would be a vote not to change the staff, but to improve the corporate level of management.

Mr. Simon stated he feels everyone on the Board of Supervisors was very secure that both firms are competent; and whomever is awarded the Contract, will do an excellent job.

Mr. Maloney stated the Golf Committee has provided a worthy competitor for the Kemper re-negotiation. He stated he was the liaison to the Golf Committee for the past two years. He stated there have been issues over the past 24 months with maintenance and capital improvement projects; and their were concerns about the Government entity and the Golf Committee liaising with the management staff and the National staff of Kemper. He stated there was sufficient response in 2009 to a number of their concerns. He stated he feels the local staff does a tremendous job day to day, and he would like to see them continue to do those jobs. He stated after the presentations, he felt both entities could do the job well; but there were very different perspectives on how to run the operation. He stated in his own professional life he is part of a large professional services firm, and they learn and leverage experiences from each of them into their other clients which is Kemper's model. He stated the local model is very different, and they focus on the intimate feel of a management company where top level management is on the course almost on a weekly basis. He stated he has had lengthy discussions with members of the Golf Committee and members of the Board of Supervisors, and feels it would be best to have the new management company, Applied, but to preserve the local contracted employees on some level. He stated he is not comfortable approving the current Motion of keeping Kemper as their National manager.

Mr. Smith stated at the last meeting he Seconded the Motion only for the purpose of discussion.

Ms. Lisa Gerban stated she is currently employed at Makefield Highlands, and she stated employee morale is very high. She asked if it is a monetary issue on the table which is swaying Board members. Mr. Stainthorpe stated when the Motion was made it was subject to final Contract negotiations. He stated there is a difference in how each management company approaches the finances, but this is not an issue in his mind. Ms. Gerban stated she is a starter at Makefield and approximately 95% of the people who come through are very happy with the way the Course plays and the condition of the Course along with the management of the Course. She feels the Board should take into account the people that play there above everything.

Ms. Tony Yantz, 1981 Amber Drive, stated she is a vendor at the Course. She stated she has been doing events for almost twenty years, and feels the current group is "top-notch." She stated when she has to make a decision where she is going to have an outing, the

people that are running it are very important, and this is why they choose Makefield Highlands. She stated while the Course is great, the people who work there are the reason why they hold their outings there.

Mr. Simon stated people coming to the Course are customers of Lower Makefield as well. He stated Kemper reserves the right to make personnel decisions, and this could involve people from Makefield Highlands going to other Courses. He stated his hope is that the experience people have had using this Course has something to do with the Course on its own; and if there was a decision made either by the current management team to change management or at the Township level to change the management firm, that the opportunity would be given to continue to utilize the facility because there is other value to it. Ms. Yantz agreed there is value to the facility, but there are a lot of fabulous places to play golf in Lower Bucks County. She stated from a personal standpoint, the reason why she went with Makefield Highlands was because the people there were so willing to help.

Mr. Maloney stated the Board of Supervisors' job is not to select the staff. He stated they have gone through two General Managers. He stated if the existing General Manager were given the opportunity to pursue something else with Kemper, the Board of Supervisors would not have a decision in this. He stated the Board is trying to decide between the two management companies.

Mr. Simon stated the dilemma they are facing is that they need to make a decision at the entity level and not at the employee level.

Mr. Smith stated they took into consideration not only the money, but also the discussions they had with the Golf Committee as well.

Mr. Neil Curran, 1640 Thistlewood Drive, stated he is a regular golfer at the Course. He stated he has been grouped with people from New York, Philadelphia, and all over the region who have heard about the Course and know that Kemper is managing it. He stated he cannot imagine why they are switching. Mr. Simon asked if he likes the Course and feels it plays well, and Mr. Curran agreed it does. Mr. Curran stated the condition of the Course is second to none and is managed by true professionals. Mr. Simon stated he has played golf all over the Country, but has never known who is managing the Course. He stated these are two companies which are top-notch professionals, and the Township's expectations are to maintain and drive the level of service by whichever company comes out. He hopes that Mr. Curran will continue to play the Course regardless of how the vote comes out.

Mr. Jerry Morris, Washington Crossing, stated he plays a lot of golf; and while he is a member of a private Club, he started playing Makefield Highlands five years ago. He stated it is a wonderful management team; and since they have met all of their financial goals, he does not understand why they are being replaced. Mr. Maloney stated this is not really true. He stated this is not an indictment of anyone, but the Course has not met its financial goals. He stated this is not to say that Applied would have done a better job. Mr. Morris stated he felt the report earlier indicated they had met their goals; and Mr. Maloney stated the Course does “run red,” and this year they are projecting a \$250,000 deficit. He stated part of this is the economy and part of it was the weather and things that are outside of their control. He stated Mr. McCloskey indicated that the Course remains solvent and remains an on-going business entity.

Mr. Simon stated there have been issues with the current management team that have been shared with the Board of Supervisors through the Township management and the Township’s Golf Committee; and some of this would not be visible to those playing golf at the Course. He stated there have been communication issues between the Golf Committee and the Course management and from Corporate to local management. He stated if there was not a problem, they would not have been considering making a change. He stated the end user’s experience is different from the business relationship experience. He stated the Golf Committee spends a lot of time overseeing the management of the Course and working with the management company, and they have expressed concerns about access to resources, etc.

Mr. Morris stated he hopes that the Board is being fair to the current management team and if they are allowing the current management team the opportunity to present, if in fact they are doing something wrong, how they could change it.

Mr. Michael Collins, General Manager and Head Golf Professional Makefield Highlands, stated he feels weather has had an ill effect on the revenue. He stated Kemper has longevity in the industry and represents a broad horizon across the Country and tries to utilize every asset they have to give back to the Township and the Golf Course. He stated they are looking forward to continuing to work with the Township, and they will change if they need to. He stated they want to make sure that the Course runs efficiently. He stated they want to continue to work with the Township and Kemper Sports has communicated this as well. He stated the staff wants to continue working here and feels Kemper Sports will work with them. He stated Kemper and the existing staff has the experience at the Course already, and they will continue to evolve. He stated while this year they may have been in the red, there have been years when they were in the black; and a surplus has been built up. He stated they are willing to communicate differently than they have in the past if necessary to make sure that they run more efficiently. He stated they had a tremendous amount of rain this year, but they still were able to have a good return on investment compared to National numbers.

Mr. Dirk Price, Controller for Hawk Point Golf Club, stated he worked for Kemper Sports for two years at that same Club; and they hired Applied Golf in March, 2009. He stated they turned around their bottom line by \$300,000 in nine months with Applied Golf. He stated they had a 97% staff retention, and the employees and members are happy.

Mr. Fred Mumford, 7 Wendover Road, stated Mike Collins is a great person, is passionate about the game, is a good community member, and does a fine job running the Course for the Township.

Mr. Tom Bristow, Washington, New Jersey, stated he has been a member of the Hawk Point Golf Club under both organizations. Mr. Bristow stated Kemper had a five year Contract with them but after two years, the Club broke the Contract with them as it went from a member-friendly Club to a member-unfriendly Club. Mr. Smith stated he does not feel they should put Kemper on trial. He stated the Board will judge them based on the presentations made and the recommendations made.

Mr. Len Kuchera, 1013 Summit Drive, stated he has been a resident for thirty years. He stated prior to the construction of Makefield Highlands, he struggled with a good place to play golf. He stated he is the co-Chairman of two golf events, one held at a country club and the other held at Makefield Highlands. He stated the current staff at Makefield Highlands has treated them tremendously, and the staff is very professional. He stated the feeling he gets at Makefield Highlands is as if he was at a country club.

Motion to approve the Kemper Contract did not carry as only Mr. Stainthorpe was in favor.

Mr. Simon moved to award the Management Contract for the operation of Makefield Highlands Golf Course to Applied Golf pending Contract terms approval and that Applied agree to interview and give an opportunity to every non-contract Kemper employee to retain their position at Makefield Highlands.

Mr. Truelove stated he feels this would mean anyone currently with Kemper who is not impeded by a non-compete contract, and Mr. Simon agreed.

Mr. Smith asked the length of the Contract, and Mr. Simon stated he feels it should be a thirty-six month Agreement. Mr. Truelove stated the proposal should be a thirty-six month Contract subject to other terms.

Mr. Smith seconded.

Mr. Smith stated he hopes that they do give a close look at the existing employees. He stated he also feels the thirty-six month Contract will give Applied an incentive to follow through on what they promised during their presentation, and three years is sufficient to show the Board of Supervisors whether they have completed that task.

Mr. Simon stated this was a very difficult decision, and he would urge Applied to try to get as close as possible to 100% retention of the current employees as they have been an important part of the community, and he sees no reason why they cannot be part of Applied's organization. Mr. Simon stated he feels that both organizations could do the job; but he feels with what has been presented to the Board from the advisory committee and the research the Board has been given, that this was the right decision to make at this time.

Mr. Caiola stated he is pleased after hearing the presentations, hearing the fact that many of the current employees will still have an opportunity to be employed at the Course, and the fact that Mr. Attara is a local resident who is involved with the community. He stated with the new management company, he hopes that this will take place as seamless as possible adding they are serious about wanting the Course to remain a solid golf course.

Mr. Neil Curran stated he is surprised that the Board is voting in this way, and stated it is quite possible that conditions could "go south," and to take a chance with a different company when things are going well, he questions what is going on.

Mr. Maloney stated he is making an assessment of Kemper as a management company not related to their local staff. He stated he feels that they have added value in a number of cases, but there have also been sufficient deficiencies in the level of service they have provided. He stated one area is maintenance; and one of the critical cornerstone issues since he has been the Liaison has been the upkeep and capital investment in the fescue and native areas. He stated non-Course features which are critical to the aesthetic value of the Course were not being taken care of, and this lack of vision fell to the senior management team that they were asking to provide the services. He stated they are now in a position where they are spending tens of thousands of dollars every year to repair those areas. He stated when the Township called them on this, Kemper came to the Township with a plan to improve this; but Kemper did not do this on their own.

Mr. Maloney stated this was a very critical moment in his opinion where a \$16 million asset was being degraded very quickly due to neglect and malfeasance. He stated this is one of a short list of issues where the Township should not have had to be the managers of the Course. He stated he feels the senior national management team should have been working on this, and instead the Township had to serve this function. He stated with a different company, they will have the opportunity to have more proximate, hands-on from the senior management perspective. Mr. Maloney stated there have been serious performance considerations, he, Mr. Fedorchak, and Mr. McCloskey have had over the Course. Mr. Maloney stated this is a \$16 million asset with a \$1 million surplus which

has been wiped out by almost one third. He stated this does not reflect on the local management team. He stated he cannot have service failures where they are being asked to invest tens of thousands if not six figure sums of money to repair areas for something they should have known in the first place was their responsibility. Mr. Maloney stated while this is a communications problem, it does not give the money back to the Township. He stated the Board's responsibility is first and foremost as a fiduciary to the Township taxpayers.

Mr. Caiola stated this was a very difficult decision, and it important that they maintain the positive experience it is for the people who golf there.

Mr. Simon stated these two companies are private businesses bidding on a public opportunity. He stated there were problems that the Golf Committee and the Township management were dealing with that were prevalent; but they do feel Kemper is a good company. He stated they do not want to put things on the record because of their experience that might inhibit Kemper's opportunity to do business elsewhere. He stated they have decided that the length of the Agreement needed to be shorter. He stated he also made the Motion to ensure that the local employees who they value are given an opportunity to retain their positions with the new management company. He stated they are putting faith in different executives and a differently-structured organization with high expectations that there will be a better level of experience from not only the Township level but also the Golf Committee level and those involved day to day that are through this cycle. He stated when Kemper first came on board, the Course was new, and they clearly had the experience to lead the Township through the initial phases; but there is a life cycle that happens with any relationship. Mr. Simon stated they need to have their management firm to be in "contract year" all the time because of the importance of this investment to the Township. He stated the Board of Supervisors depended on the Golf Committee to provide them feedback, and this decision they are making is a very informed decision.

Mr. Smith stated Applied is not a start-up company. He stated both Kemper and Applied made excellent presentations, and he is very impressed with what Applied has promised they will do.

Mr. Curran stated since the Board has not yet taken a vote, he suggested that they give Kemper Sports another year, since he feels the asset risk far outweighs any of the short-term economics. He stated if they will not do this, he asked if they would consider in the Contract terms that it be a one-year opt-out with Applied if it is not going according to plan. Mr. Stainthorpe stated while he wanted to award the Contract to Kemper, it is clear that the rest of the Board feels Applied Golf is a better way to go. He feels they need to make a decision, and to delay it for a year or put Applied on a one-year Contract is not something he feels is productive. Mr. Caiola agreed and stated one year either way is

probably not fair to either organization. Mr. Curran stated the maintenance of the Course is incredible given the different situations they were in over the years.

One gentleman stated he agrees with Mr. Simon's caveats in the Contract. He stated there are seventy-five people who work at Makefield Highlands, 60% of whom live in Lower Makefield, and he hopes that the Board will push this. Mr. Simon stated when they negotiate the Contract, he feels there should be a clause to verify that the existing employees will be interviewed.

Mr. Glen Kuchera, 1013 Summit Drive stated the Board indicated they took into consideration the comments from the Golf Committee, and he asked that the Board of Supervisors also take into account the comments from the Golf Course customers.

Mr. Mike Collins stated it has been a privilege working with the Township and their constituents.

Motion carried with Mr. Stainthorpe opposed.

A short recess was taken at this time. The meeting was reconvened at 11:00 p.m.

DISCUSSION AND AUTHORIZE ADVERTISEMENT OF ORDINANCE TO IMPLEMENT LOCAL SERVICES TAX

Mr. Maloney stated this was part of the Budget discussion, and they need to authorize advertisement of such a tax so that it can be put into effect at a special meeting to be held on November 30, 2009.

Mr. Truelove stated there was an Executive Session prior to the start of the public meeting and all Supervisors were present and matters of collective bargaining, personnel, Contracts, and real estate were discussed.

Mr. Truelove stated a local services tax has been on the books in Pennsylvania for several years; and while it has not been implemented in Lower Makefield, it is appropriate to do so at this time. He stated it is a tax on employees working in the Township both residents and non-residents. He stated the dedicated purpose of the tax, which is a limit of \$52 per person per year, is to help fund among other things emergency services, medical services, police services, fire services, road construction and maintenance and some property tax relief. He stated the purpose is to recognize the fact that people who come to work in the Township actually rely on the services that are provided, and this is a way of offsetting some of those costs.

Mr. Truelove stated the reason for the necessity for the November 30 meeting is that this must be sent to the DCED by December 1, and they must advertise it three times between now and then. He stated this tax is something that is commonly enacted across the Commonwealth including most of the Municipalities in the area.

Mr. Truelove stated if any of the other taxing agencies including the School District were to decide to also be part of this, it would not increase the tax; rather the \$52 would be spread out among all taxing entities. Mr. Smith asked what percentage would the Township receive from the tax, and Mr. Truelove stated right now it would be 100% since no one else has enacted anything. He stated this would be for 2010. He stated the School District cannot do anything until next year, and this would be for the fiscal year after that. Mr. Smith stated looking ahead, if the School District were to opt to participate, what percentage would they take. Mr. Stainthorpe stated he does not feel Mr. Truelove is correct, and it is his understanding that this goes 100% to the Township. Mr. Truelove stated while this is correct right now, if the School District does it, they can participate. Mr. Caiola questioned what services the School District provides. Mr. Stainthorpe stated he feels Mr. Truelove is correct for an earned income tax and either one can opt in, but he felt this \$52 was specific for Townships since it was originally called an Emergency Services Fee. Mr. Truelove agreed but stated there were some changes made that invalidated this and it came back. He agreed to look into this in more detail; but added, regardless, for 2010 it will be 100% for Lower Makefield.

Mr. Simon asked if this will have to be re-enacted on a yearly basis; and Mr. Truelove stated it will not; and once it is an Ordinance, it will be on the books. Mr. Truelove stated the maximum amount that can be taxed is \$52 per employee; and is not a tax to the residents unless the residents are employed in the Township. He stated there are certain exemptions for those earning less than \$12,000 a year and also for Veterans and other special classes as well. Mr. Truelove stated this would mandate employers through their payroll to collect this.

Mr. Smith stated his daughter was employed in Middletown where this was imposed, and they took the \$52 up front as opposed to doing it over a yearly basis. Mr. Truelove stated in filing tax returns, you could ask that some of this be returned. Mr. Stainthorpe stated he feels it is now done weekly or bi-weekly according to how you are paid. Mr. Smith asked that this be included in the Ordinance they are going to enact. Mr. Truelove stated he feels this is in the enabling legislation now.

Mr. Caiola moved to authorize advertisement of the Ordinance in accordance with the applicable provisions of the enabling legislation and authorize advertisement of a special meeting for November 30 at a time to be determined.

Mr. Stainthorpe stated he suggested this tax years ago, and stated he feels this is a good way to raise revenue without putting additional burden on people on fixed incomes. He stated if they do have to have the Hospital as a neighbor, this would help the Township.

Mr. Zachary Rubin, 1661 Covington Road, asked if Mr. Fedorchak or Mr. McCloskey made an estimate of how many residents of the Township work in the Township, and Mr. Maloney stated they did not. Mr. Rubin stated he feels it is fair to say that it would be a miniscule number of the residents who would actually pay this tax.

Mr. Smith stated he also does not feel it will affect the young people working in the Township in the summer.

Motion carried unanimously.

APPROVE EXTENSIONS – DOGWOOD DRIVE, FERRI TRACT

Mr. Simon moved, Mr. Caiola seconded and it was unanimously carried to grant the following Extensions:

Dogwood Drive Subdivision a/k/a Harmony Lane – 3/7/10
Ferri Tract a/k/a Freeman's Farm – 3/5/10

ZONING HEARING BOARD MATTERS

With regard to the Richard and Joan Kmiec, 396 Collins Grant Court, Appealing the interpretation of the Code Enforcement Officer's letter dated 10/19/09 relative to a Variance granted by the Zoning Hearing Board which was conditioned upon strict compliance with the Plan marked as Exhibit A-2, it was agreed to leave the matter to the Zoning Hearing Board.

With regard to the Robert Tilghman, Variance request for 1336 Moon Drive to permit enclosure of an existing porch resulting in greater than the permitted impervious surface, it was agreed to leave the matter to the Zoning Hearing Board.

With regard to the Kelly and Brian Sweeney, 196 River Road, Variance requests to elevate their existing two-story dwelling and add a 3-season room and decks resulting in greater than permitted impervious surface and encroachments into the front and rear yard setbacks, it was agreed to leave the matter to the Zoning Hearing Board.

SUPERVISORS' REPORTS

Mr. Caiola stated Mr. McCaffrey has allowed the Bucks County Performing Arts to have three more concerts on December 3, December 10, and December 15. All concerts are free.

Mr. Smith thanked Ken Martin and the Historic Commission for putting on an excellent presentation on Sunday which was on the history of the Township.

AUTHORIZE USE OF SUBCONTRACTORS FOR SNOW PLOWING

Mr. Stainthorpe moved, Mr. Caiola seconded and it was unanimously carried to authorize use of the subcontractors identified in the memo from the Public Works Director, Hank Hoffmeister, for snow plowing.

AUTHORIZE ADVERTISEMENT OF SPECIAL MEETING

Mr. Stainthorpe moved, Mr. Smith seconded and it was unanimously carried to authorize advertisement of a special meeting for November 30 to consider implementation of local services tax and any other issues that may come before the Board and to cancel the December 2, 2009 meeting.

There being no further business, Mr. Caiola moved, Mr. Smith seconded and it was unanimously carried to adjourn the meeting at 11:15 p.m.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Greg Caiola".

Greg Caiola, Secretary



Township of Lower Makefield

BOARD OF SUPERVISORS
Matt Maloney, Chairman
Ron Smith Vice-Chairman
Greg Caiola, Secretary
Pete Stainthorpe, Treasurer
Jason Simon, Supervisor

**NOVEMBER 2009 WARRANT LISTS AND
OCTOBER 2009 PAYROLL COSTS FOR APPROVAL
NOVEMBER 18, 2009 BOARD OF SUPERVISORS MEETING**

11/02/2009 Warrant List	\$ 899,350.64	
11/16/2009 Warrant List	517,387.32	
Manual Checks	24,163.99	
Total Warrants & Prepaids		\$ 1,440,901.95
<u>PAYROLL COSTS:</u>		
October 2009 Payroll	454,569.66	
10/09 Payroll Taxes, etc.	201,703.34	
Total Payroll Costs		\$ 656,273.00
TOTAL TO BE APPROVED		\$ <u>2,097,174.95</u>

