

LOWER MAKEFIELD TOWNSHIP
BOARD OF SUPERVISORS
SPECIAL MEETING
OCTOBER 24, 2001
9 a.m.

A special meeting of the Board of Supervisors was convened at 9 a.m., Wednesday, October 24, 2001.

Supervisors present: Frank Fazzalore, Chairman
Scott Fegley, Vice Chairman
Grace Godshalk, Secretary/Treasurer
Wesley Hackman, Supervisor
Fred Allan, Supervisor

Others present: Terry Fedorchak, Township Manager
William Taylor, Finance Director

Chairman Frank Fazzalore called the meeting to order at 9 a.m. and opened with the Pledge of Allegiance.

Todd and Scott Arterburn of The Rainmaker Group were present.

Mr. Hackman stated that the purpose of calling the special meeting was to discuss appointing a golf course construction management firm.

Mr. Fegley stated that he had received a call from the Chairman of the Golf Committee stating that the Golf Committee feels it has not been consulted on the issue of selecting a management company. Mr. Fegley stated he does not think an appointment should be made until the recommendation of the Golf Committee is heard.

Mr. Hackman stated that the Golf Committee had interviewed four management companies. There was no further contact with two of those firms leaving Billy Casper Golf Management and The Rainmaker Group. The proposal from Billy Casper includes construction management and management of the course for the first five years.

Mr. Fegley stated he had not come to interview the management company and that the Board of Supervisors had not yet reviewed the financial report at a public meeting.

Mr. Fazzalore asked Mr. Taylor to supply a summary of the financial report produced by Golf Property Analysts. Mr. Taylor summarized the report as stating that an affordable, upscale golf course is a financially sound idea.

Mrs. Godshalk stated she does not have copies of the proposals from the construction consultants. Mrs. Godshalk moved to table the appointment of a construction management consultant. Mr. Fegley seconded the motion.

Mr. Fedorchak stated he is deeply disturbed about Chip Kern's presentation to the Supervisors. He stated that there is disagreement within the Golf Committee. Mr. Fedorchak and Mr. Taylor made the recommendation to move forward today and appoint The Rainmaker Group.

Mr. Allan stated he is disturbed that he was called. He stated that the Golf Committee is a recommending body; but, ultimately, the Board of Supervisors will be held responsible.

Mrs. Godshalk recommended waiting until the next regularly scheduled Board of Supervisors meeting to make the decision.

Mr. Fegley recommended waiting until the November 5 meeting and letting the Golf Committee members come in and make their recommendations at that time.

Mr. Fazzalore questioned the \$100,000 cost difference in the Billy Casper and the Rainmaker proposals. Mr. Taylor stated he called Peter Hill from Billy Casper and asked for a proposal for construction management only. Mr. Hill replied that his firm does not do it that way. Their more comprehensive proposal is based on receiving \$7,000 per month plus incentives to manage the course for the first five years.

Mr. Hackman stated he favors the Rainmaker Group because it brings expertise that other companies do not possess. Scott Arterburn is an engineer, and Todd Arterburn is a financial expert. This combination offers exactly the attributes that the Township needs at this time.

Mr. Allan stated that the borrowing rate of 5 percent is at a thirty-nine year low, and the Township should take advantage of it.

Mrs. Godshalk asked if anyone is willing to guarantee an opening date of July 1, 2003, with a performance bond.

Mrs. Godshalk moved to table consideration of appointing a golf course construction management firm until the November 5 meeting. Mr. Fegley seconded the motion.

Mr. Todd Arterburn stated that all the seed would have to be in the ground by fall of 2002 to make it possible to open in July of 2003. He stated that there is a great deal of work to be done before that time. It is not impossible, but it will require an aggressive schedule.

Mrs. Virginia Torbert stated she saw the advertisement in the paper for this special meeting, but she felt the ad was adequate for legal requirement only and most people would not notice it at all. She stated it was imperative for the Golf Committee to come forward with a unified recommendation since there is already public dissention.

The motion to table the appointment of a golf course construction management consultant until the November 5 meeting carried with Mrs. Godshalk, Mr. Allan and Mr. Fazzalore voting aye, Mr. Hackman voting nay, and Mr. Fegley abstaining.

Mr. Fazzalore asked Scott and Todd Arterburn to present a profile of their company. Mr. Todd Arterburn said they started their business ten years ago. They do residential subdivision work as well as golf courses. Mr. Scott Arterburn stated they are specifically a construction management company. They focus only on getting the course on the ground. Mr. Todd Arterburn stated he is familiar with the special financing related to golf course construction. He further stated that the Township's bonding company will probably require a professional management consultant, and fees for management companies are widely varied. He said that proposals including management over a period of years are based on gross revenues. Therefore, these companies are more concerned with generating the gross rather than the net which the Township needs to make the project financially successful.

Mr. Fazzalore requested that the Messrs. Arterburn be supplied with a copy of the financial report to review.

Mr. Fazzalore stated that the Rainmaker proposal did not mention a clubhouse. Mr. Arterburn said their proposal assumed a clubhouse was included.

The management company would review the bids for the various contracts involved in the construction of the course, make recommendations, monitor

schedules and work with each individual contractor throughout construction until opening day.

Mr. Fazzalore asked about expenses. Mr. Arterburn said there would be no additional charge for expenses, that cost is included in the proposal.

Mr. Fazzalore asked if the two gentlemen present today would be involved in a hands-on fashion. They stated they would, it would be Scott's project.

Mr. Hackman stated that the well driller had drilled test wells and so far sufficient water has not been found. Mr. Todd Arterburn stated there are many ways to handle the water issue.

Mr. Scott Arterburn stated that at the request of the Golf Committee Rainmaker has included an "early out" provision in the contract. If for any reason the project proves not to be feasible, Rainmaker will bill the Township for time and money expended to date and not require payment of the full contract price.

Mr. Hackman moved, Mr. Fazzalore seconded, and the meeting was adjourned.

Respectfully submitted,



Grace M. Godshalk,
Secretary/Treasurer