

TOWNSHIP OF LOWER MAKEFIELD
BOARD OF SUPERVISORS
SPECIAL BUDGET MEETING
MINUTES - OCTOBER 30, 2000

A special meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on October 30, 2000. Chairman Hackman called the meeting to order at 5:00 p.m.

Those present:

Board of Supervisors: Wesley Hackman, Chairman
Frank Fazzalore, Vice Chairman
Scott Fegley, Secretary/Treasurer (joined meeting in progress)
Fred Allan, Supervisor
Grace Godshalk, Supervisor

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

Mr. Hackman noted the revisions received by Mr. Taylor.

Mr. Hackman stated he felt they agreed that the Ambulance should be .5 mills. Mr. Taylor stated he would be able to modify this following the Election. Mr. Fazzalore stated he does not feel 1 mill will be enough. He stated the expenditures are greater than 1 mill. Mr. Allan stated he has been advised that Upper Makefield only pays \$1500 for the Yardley-Makefield Rescue Squad to cover their Township. He stated last year there were 100 calls from Upper Makefield out of 1000 total calls. He stated he feels Upper Makefield should pay 10% if 10% of the calls are for Upper Makefield. Mr. Hackman agreed that Upper Makefield should be paying more. Mrs. Godshalk stated she advised Mr. Fedorchak that Upper Makefield should be notified about this now since they too are going through their Budget process. Mr. Fedorchak agreed to contact Upper Makefield. Mr. Hackman stated he should also contact Yardley Borough. Mr. Taylor stated it was too late for Yardley Borough to include a Referendum in this regard for the fall Election but they are going to put it on the Ballot in April. Mr. Allan stated Yardley should also be asked to contribute at the current time since Lower Makefield has already made a contribution toward the Rescue Squad. Mr. Fedorchak agreed to contact Yardley Borough. Mr. Hackman stated he feels they may need to get together with Yardley Borough to discuss the Rescue Squad situation. Mr. Fazzalore stated he feels they should also work toward putting together a Board of Directors for the Rescue Squad.

Mr. Hackman showed a copy of the information provided regarding an announcement to be put on Channel 16 regarding the Rescue Squad. He suggested that it be revised to indicate it is the Yardley-Makefield Rescue Squad and that they include the exact wording which will be appearing on the Referendum. He also stated the contact number for additional information should be the Lower Makefield Township Office number. Mr. Hackman stated he is concerned that if the Referendum does not pass, some of the volunteers are going to leave the Rescue Squad. After discussion, it was agreed to leave the Rescue Squad at 1 mill.

Mr. Fazzalore commended the Department Heads for all they did to try to get the Budget into closer balance. He stated they have tried to keep balancing the Budget over the years without raising taxes. He stated nothing has been included in the Budget for a Senior Center, the BRRAM consultant, the Fire Station, Rescue Squad expenditures, Edgewood Village or Park improvements. He stated he feels they must find other ways to raise revenue. He stated during the next year they must consider the possibility of passing a 1/2% earned income tax. He stated he is very concerned about the financial future of the Township.

Mr. Hackman stated operationally he feels they can stick with no increase and still provide some of the things that were eliminated. He stated the voters did vote in favor of purchase of open space, but he does not feel the voters wanted the Board of Supervisors to cut back on everything else in order to do this.

Mr. Fazzalore stated he feels Mr. Fedorchak should discuss with the Tax Collector what it would cost to put the Open Space item on the tax bill. He added he would not want to spend a lot of money in order to do so, however. Mr. Fazzalore stated he feels the Open Space borrowing money should come from the Debt Service, not the Operating. Mr. Taylor stated they borrowed \$1.2 million from the Sewer Fund and are paying them back interest which they would have earned. The interest is approximately 6%. Mrs. Godshalk stated this way the Township saved the Issuing costs.

Central Government was reviewed. Mr. Fedorchak noted the one change that was made was to defer the purchase of the new telephone system until 2002. He stated they put in only the amount they would need to cover costs of the consulting firm. Mr. Hackman stated the telephone system is seventeen years old, and he does not feel they should postpone this item.

Page #3 of the Budget was noted regarding Supervisors' salaries. Mr. Hackman stated while they budgeted \$1200 for the Secretary/Treasurer for 2000, the Board of Auditors approved \$1,800 and have shown it as \$2400 for 2001. Mr. Hackman stated he feels this is outrageous since this position was previously paid \$500. Mr. Taylor stated he took the figure from the Board of Auditors' Minutes. Mr. Fedorchak was asked to discuss this matter with the Township Solicitor.

Page #4 was noted - Engineering Fees. Mr. Fazzalore stated the letter from the engineer indicated the rates proposed for next year but did not include what the rates were for last year so there is no basis for comparison. Mr. Hackman stated he feels they should cut this amount from \$28,000 to \$24,000. It was also decided to cut back Miscellaneous Engineering fees from \$15,000 to \$10,000.

Page #16 - Newsletter Costs - were noted. Mr. Hackman stated they will only have one Newsletter per year at a cost of approximately \$16,000. The budgeted amount for 2001 will be increased to \$16,000 from \$14,000.

Mr. Fegley joined the meeting at this time.

Mr. Hackman noted Page #20 regarding the telephone system with a budgeted amount of \$50,000. Mr. Hackman stated he feels this amount should be left in. Mr. Fedorchak suggested they keep it in at this time although they may not actually do the project until late

in the year. Mr. Allan stated he will provide Mr. Fedorchak with the name of an individual involved in this field. Mr. Taylor agreed to put this item back in the Budget.

General Expenditures was noted, and Mr. Taylor stated no changes were made since most of these items are contractual.

Mr. Hackman noted Page #1, and stated the Historic Commission went from \$12,000 to \$22,000. Mrs. Godshalk stated there is Grant money which will offset this.

Mr. Fazzalore noted Personnel Costs have gone up 6%. He questioned this figure since they are only discussing a 3.5% salary increase. Mr. Fedorchak noted hospitalization, FICA, workman's compensation, etc. are also going up. Mr. Hackman stated FICA went up 10%. Mr. Taylor stated there is also a Lieutenant position in the Budget and an additional police officer to be included in 2001 which were not included in 2000. Mr. Fazzalore stated the new Chief of Police has indicated he will most likely hire two people, but they will not be brought in until the middle of the year.

Page #8 was noted under General Expenditures. Mr. Hackman asked why they are paying taxes on some of the properties. Mr. Taylor stated as soon as the Township takes over a property they do apply for an exemption; but there is normally a time delay, and they do not give it retroactively. The Township Solicitor applies for this. The Faytol property in particular was noted. Mr. Fedorchak agreed to discuss this matter with the Township Solicitor.

Page #12 was noted, and there was discussion on the \$15,000 figure for the Historic Commission. Mr. Taylor stated this is offset under State Grants. Mrs. Godshalk noted the Township does have to pay 60%. Mr. Fegley noted other items under the Historic Commission, particularly the Landmark Brochure. Mrs. Godshalk stated they do sell these at a cost of \$3 so some funds are recouped. Mrs. Godshalk stated some of the costs relate to the Patterson House which needs to be put on the National Register so that they can then apply for funding. Mr. Allan asked that they consider deferring the design for Edgewood Village. Mrs. Godshalk stated there are people, including developers, waiting for the guidelines. Mr. Hackman stated he does not feel they should go from \$2,000 to \$3,000 for consultants. Mr. Fegley stated he feels they should take out the \$750 for photography. Mrs. Godshalk stated she feels the Board should have asked the Historic Commission to be present to discuss their Budget. She stated most of the items have already been approved by the Board. Mr. Hackman noted the Slate Hill Cemetery costs budgeted for 2000, and Mr. Taylor stated this has not been spent this year. Mr. Taylor was asked to update this matter.

Mr. Allan noted Page #17 regarding the heat pump maintenance contract in the amount of \$600 which he felt was high. Mr. Fedorchak agreed to double check this amount.

Page #18 was noted regarding Patterson Farm expenditures. Mr. Taylor stated nothing is shown at this time since they do not know what the expenses will be.

Finance was noted. Mr. Taylor stated they will need to do a fixed asset inventory since one has not been done in ten years.

There was discussion on Elm Lowne, and Mr. Fegley questioned where the revenues are shown for the various functions which take place at Elm Lowne. Mr. Fedorchak stated they are in General Fund Revenues. The total estimated revenues are \$25,000 for events and the carriage house rental. The capital item of \$12,000 was noted and Mr. Fedorchak stated they need to replace 600 linear feet of fencing. Mr. Hackman asked if they could not fix the fence, and Mr. Fedorchak stated they have looked at this and found that the fence is in very poor condition. Mr. Fazzalore asked about the parking lot, and Mr. Hackman stated this is shown at \$5,000. It will be a stone parking lot.

Mr. Fedorchak stated approximately one month ago Mr. Bob Jones indicated that some of the Elm Lowne barn beams were starting to pull away. A structural engineer was sent out to the property and they felt that they needed to take action in the near future to stabilize the barn. Mr. Fedorchak stated he has obtained a proposal from the structural engineer in the amount of \$3,000 for which they will spec out a minimal amount of remedial work that needs to be done just to keep the barn standing. The \$3,000 would be for the specs only, not the actual work. Mr. Fedorchak stated he would recommend keeping in the money for the fencing and the parking lot and wait to see how the barn situation unfolds. Mr. Fegley noted the \$5,000 amount shown for miscellaneous and stated he feels they should indicate what this is for. Mr. Hackman stated barns are very expensive to maintain. He stated they should decide if they really want to maintain this barn at a potential cost of \$45,000 and up. He stated they should also get an estimate on removal of the barn. Mrs. Godshalk stated if they are going to try to get this property on the National register, they may be able to get funding for improvements.

There was discussion on the possibility of using the barn for a Senior Center, and Mr. Fedorchak stated he did get an estimate for renovation of the barn for this use in the amount of \$1.5 million. Mr. Fegley stated they could also determine what it would cost to reconstruct a replica on the barn site.

Mr. Fedorchak stated they are showing \$1,500 under Professional Services for Elm Lowne and he feels this should be increased to \$3,000 for the consultant for the barn.

Data Processing was reviewed. Mr. Hackman stated Ms. Becky Cecchine has done an outstanding job. Page #11 was noted and there was discussion on the \$45,000 amount for upgrading Munis. Ms. Cecchine was present and stated they have looked at two other vendors who would have charged between \$150,000 and \$200,000. Mr. Taylor stated accounting standards are changing and the current system cannot give them the reporting they need. Ms. Cecchine stated the new system will also provide numerous customized reports.

Planning was reviewed. Ms. Nancy Frick was present. Mr. Taylor stated they did make the adjustments in Personnel as previously discussed. Mr. Hackman stated a car from Public Works will be turned over the Planning and Zoning.

Public Works was discussed. Mr. Allan stated they are showing \$90,000 for a truck. He stated he has been advised that this truck is run only 2200 miles a year. Mr. Taylor stated this item is shown under liquid Fuels. Mr. Allan stated he feels they should be able to repair the truck for many years before they should have to replace it if it is only used 2200 miles a year. Mr. Hackman stated the truck is twenty-seven years old and has 150,000 miles on it. He stated he has been advised that if they sell it now they feel they can get

\$15,000 for it. He added the truck is rusting out from the inside. Mr. Fazzalore stated it appears that the truck is only being used twenty-two days a year and he would like to know how much it would cost to lease one of these vehicles. Mr. Fazzalore stated the Township never does a lease or buy proposition. Mr. Allan asked about the possibility of leasing a vehicle from October to the end of March. Mr. Hackman stated even if the truck costs \$100,000 if they keep it for twenty-seven years, it would only cost \$5,000 per year and this would give them a truck all the time. Mr. Fazzalore stated he does not feel the Board ever makes Mr. Coyne justify any of his expenses. Mr. Hackman disagreed. Mrs. Godshalk stated they should also consider the money they get from the State for snowplowing the roads since this is how this truck is used. Mr. Fazzalore stated he feels they should get a public bid on street sweeping and leaf removal. He stated these costs could then be compared to what Lower Makefield Township currently spends on these projects. Mr. Taylor noted they did do an analysis two years ago.

There was discussion on Transfers-Out. Mr. Taylor noted Page #1, and stated this shows a reduction from the original estimate since this figure is now coming from the actuary.

There was discussion on the Sewer Department Budget. Mr. Hoffmeister was present. Mr. Hackman stated there is no proposed increased in fees other than the connection fee. Mr. Hackman asked if sewerage Edgewood Village has been included, and Mr. Taylor stated it is shown in the blue pages. Mr. Hoffmeister stated they did discuss how they could reduce their Budget by 5% and felt the only way they could reduce the full 5% was to take out sewerage Edgewood Village. However, the sewer system evaluation indicated that a majority of the residents were in favor of sewerage Edgewood Village, and the Sewer Authority felt it should be sewerage. It has therefore been included. Mr. Fazzalore stated the engineer and Mr. Hoffmeister need to make sure that the sewer proposal falls in line with the proposed Edgewood Village Plan. Mrs. Godshalk stated she feels sewerage Edgewood Village is premature for next year since the new Master Plan has not yet been developed. Mr. Hackman stated the sewers would run down the middle of the road. Mr. Hoffmeister stated the initial concept would be the sewer would be taken down the center of the road although there were discussion on the option proposed by the architect and they could accommodate some additional piping in the future if the Township wants to proceed with the Master Plan. He stated some downstream work would also have to be done. He stated the Village as it currently exists now could be sewerage.

Mr. Hackman asked if the Hillside sewer project is in the Budget, and Mr. Hoffmeister stated it is not. Mr. Hackman stated he feels the Township is closer on Hillside than it is on Edgewood Village. Mr. Hoffmeister stated this would be a policy decision to be made by the Board of Supervisors, and they could shift the money from Edgewood Village to Hillside. Mr. Fazzalore suggested they keep the money in under the term "new sewers," and the Board of Supervisors can then use it where needed next year. It was not known at this time whether the amount shown would be sufficient to do Hillside. Mr. Hoffmeister stated estimated costs for Hillside are \$517,000 in the cartway, and \$469,000 in an easement. With regard to Edgewood Village, the estimate would be \$628,000 with the sewers in the center. Mr. Fazzalore stated in the past, the Township has paid 40% of the costs.

Page #4 was noted - Traffic Impact. Mr. Hackman stated there is no Budget in Revenues for Dolington Estates II. Mr. Taylor agreed to look into this. Mr. Fedorchak stated Mr. Doherty looked at the traffic impact fee numbers for the South Campus and they were in the \$700,000 range net. This is in the Budget. He reviewed what had been done at

Oxford Oaks with money being used at other locations. He stated they could discuss this in Executive Session, but they many want to consider something similar being done in the future.

Mr. Hackman noted expenses of \$5500 for a traffic signal at Lindenhurst and Twining Road. Mr. Fazzalore stated this was already approved.

Five Mile Woods Budget was noted. Mr. Fazzalore stated this fund will run out of money next year; and after next year, they will have to start budgeting money for Five Mile Woods. Page #2 was noted, and Mr. Taylor stated the part-time employee is paid on an hourly basis and more work is done in the summer. Page #14 was noted - Minor Equipment, and Mr. Hackman questioned the need for the GPS phone. Mr. Allan questioned the proposed deer population survey. Mr. Fedorchak stated they are going to have to replace the porch on the house.

Capital Reserve was noted. There was discussion on the Rock Run Dam. Mr. Fedorchak stated a group from Harrisburg will be visiting the Township on November 6, and they will discuss the matter with the Board of Supervisors and ask them to pass a Resolution. At that point, Mr. Steil and Mr. Conti will go to the Secretary of the Treasury so the State can do the work. Mr. Hackman noted Page #2, and Mr. Taylor stated next year they will have to pay \$250,000 and this has been reflected in the blue sheets. Mr. Fedorchak stated they will be getting hard numbers on what the Township costs will be.

Mr. Allan asked if they can use the Capital Reserve fund to go toward the Budget. Mr. Taylor stated they did transfer \$400,000 for the purchase of the Samost property. He noted there are some designated funds, but most are available. They are projecting \$1.8 million for the Capital Reserve Funds. Mr. Allan asked if they could take \$90,000 from the Capital Reserve and put it toward the Public Works truck, and Mr. Taylor stated they could although they do get money for this from Liquid Fuels. Mr. Fedorchak stated before they do anything, he feels they should look at the next three to four years of capital expenditures and see what kind of revenues are coming in. Mr. Fegley stated he agrees with Mr. Fedorchak and would not want to spend the entire reserve on some item and then there would be nothing available for the future. Mr. Fazzalore stated he feels they should take the money out of Capital and raise the ending balance. Mr. Hackman stated he does not feel it makes a difference which account it is in. Mr. Fazzalore stated he would like to raise the ending balances in the General Fund. Mrs. Godshalk stated there are upcoming expenditures such as the Rock Run Dam where funds will be needed. Mr. Hackman stated Mr. Taylor does transfer General Fund balances to the Capital. Mr. Hackman asked about the recycling money which comes in, and Mr. Taylor stated it goes to the General Fund.

Mr. Fazzalore asked the purpose of the Capital Reserve Fund if they do not use it for capital expenditures. Mr. Hackman stated he feels the phone system should come from the Capital Expenditures. Mr. Fegley stated he feels they need a "rainy day" fund and he feels that is what this should be seen as. Mr. Taylor stated the State recommendation is that they should have 8%.

Mr. Fazzalore stated if they could build a Senior Center for \$1.5 million and it takes twenty-five years to pay it with an interest rate of 5.5%, this would cost \$9,000 a month. Mr. Fazzalore stated he feels the Township should build the Senior Center building and rent it to the Senior Citizen Group for \$1 a year and have the Seniors run the building and furnish it. He added once they get a building, they are eligible for Grants.

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Mr. Allan asked how much they would have to take out of Capital Reserve Funds in order to balance the Budget and not raise taxes, and Mr. Taylor stated it would be \$85,000.

Mr. Hackman stated he does not feel they should be paying for ongoing expenses out of Capital. Mr. Fazzalore stated he feels they should pay for capital out of capital.

Mr. Hackman stated they will not schedule any further Special Budget meetings at this time. He asked that Mr. Taylor update the numbers based on discussions this evening and bring the matter back to the Board at their next regularly scheduled meeting.

There being no further business, the meeting was adjourned at 7:15 p.m.

Respectfully Submitted,



Scott Fegley, Secretary

