

**TOWNSHIP OF LOWER MAKEFIELD
BOARD OF SUPERVISORS
SPECIAL BUDGET MEETING MINUTES
TUESDAY, OCTOBER 25, 2005**

A Special Budget meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on Tuesday, October 25, 2005. Mr. Stainthorpe called the meeting to order at 4:30 p.m. noting the purpose of the meeting is to discuss the 2006 Budget.

Those present:

Board of Supervisors:

Scott Fegley, Vice-Chairman (absent)
Grace Godshalk, Secretary/Treasurer
Steve Santarsiero, Supervisor
Frank Fazzalore, Supervisor
Pete Stainthorpe, Chairman

Others:

Terry Fedorchak, Township Manager
Heidi Sheridan, Finance Director
Kenneth Coluzzi, Chief of Police
Donna Reardon, Public Works Department
Jim Coyne, Public Work Department

GENERAL FUND

Mr. Fedorchak asked the Board to turn to the General Fund summary sheet. He stated the Township would finish 2005 with a surplus in the amount of \$417,000. He stated the 2005 budget would end with a balance in the neighborhood at \$1,400,000, \$1,000,000 more than anticipated. Mr. Fedorchak stated the two reasons for the surplus is the Township began 2005 with \$500,000 more than anticipated and the real estate transfer tax was \$450,000 more than budgeted, accounting for the additional \$1,000,000. He stated end of year expenditures are projected right on line, slightly less.

Mr. Fazzalore stated the 2006 budget has a \$1,000,000 increase in real estate taxes, which is an added 18 mils and a 3.75% increase from last year, noting 2 mils will go to the General Fund. Mr. Fazzalore noted with a 3.75% increase, the total revenues increase 3% and expenditures increase 15%. Mr. Fedorchak stated the increase was put into different categories because there is a difference between the 2005 and proposed 2006 budget. He stated to show the difference he made the decision to transfer \$350,000 from the Capital Reserve Fund to the General Fund as a cushion. Mr. Fedorchak stated he did not make that transfer this year because it was not necessary. He stated the prior year he took \$200,000 from Liquid Fuels and transferred it to the Public Works Department for salaries and did not do that this year because it is not necessary in 2006. Mr. Fedorchak stated the Board could transfer money from Liquid Fuels this year if they wish.

Mr. Fazzalore stated the 2006 budget shows expenditures in Liquid Fuels. Mr. Fedorchak stated a large expenditure is road resurfacing and stated \$550,000 in revenue related items that will not be repeated in 2006.

Mr. Fazzalore expressed his concern over a large Township tax increase on top of a pending school contract which would be a big hit at one time. Mr. Stainthorpe stated the Board should go through the budget line by line to cut numbers. He asked how long has it been since permit and licensing fees have been reviewed. Mr. Fedorchak replied those fees have not been reviewed in several years.

Mr. Fazzalore stated that fuel is budgeted at \$5.00 per gallon and noted that figure could be reduced now that gas is lower. Mr. Fedorchak stated \$5.00 per gallon was arrived at on the heels of Hurricane Katrina. He stated the Township is locked into paying approximately \$1.60 per gallon now and could come up with a lower number now that everyone agrees to, noting the current fuel contract expires in April 2006.

Mr. Stainthorpe stated he would like a summary of permit and licensing fees for the next meeting. Mrs. Godshalk stated she would like to also see operating costs for that department.

Mr. Fazzalore noted there is a \$162,125 increase in healthcare benefits in 2006. Mr. Fedorchak stated the Township would see approximately a \$100,000 reduction of that sum as soon as the Police contract is signed. Mr. Fazzalore asked if the \$100,000 is figured into the budget. Mr. Fedorchak stated no.

Mr. Fedorchak asked the Board to turn to the General Summary page. He noted the property taxes would increase from 6 mils to 8 mils, roughly \$1,000,000. He stated that real estate transfer taxes over the last four to five years have increased and the Township anticipates receiving \$1,800,000 in 2006. Mrs. Godshalk asked why the 2005 budget went from \$2,000,000 to \$1,800,000 in 2006. Mr. Fedorchak stated because of the sale of Polo Run in 2005, which netted \$215,000.

Mr. Fedorchak stated as to licenses and permits, he anticipates negotiations with Comcast to be completed by the end of the year. As a result of the Comcast arrangement, the Township is entitled to a franchise fee of 3% to 5% and the Township has chosen 5%.

Mr. Stainthorpe stated rents on Township properties seem to be bargains. He suggested when leases expire the Township should look at getting market rate rent. Mr. Fazzalore asked if Elm Lowne is included in that number. Mr. Fedorchak stated Elm Lowne rent revenues and affair revenues are included in the overall rent number. He stated Elm Lowne revenues increased \$5,000 in one year and stated rents on all properties total \$220,000 per year.

Mr. Fazzalore asked if the main house at Patterson Farm could be rented. Mr. Santarsiero stated the Township needs to determine a master plan for the property for the long term but could rent the house for a short term.

Mr. Stainthorpe asked what is the length of the term of the communication tower leases. Mr. Fedorchak stated the leases are long term and the Township collects a fee for the co-locator and rent on the footprint of the property the tower occupies.

Mr. Fedorchak stated the state grants are the same in 2006 as 2006 but he cannot budget for the

performance-recycling grant from the state. Mr. Stainthorpe asked for an explanation of why \$153,000 is budgeted under recycling and zero is projected. Ms. Sheridan stated the money was received and booked in 2004.

Mr. Fedorchak asked if the Board had any questions about General Revenue and the Board replied no.

POLICE BUDGET

Chief Coluzzi was present at the meeting to present the 2006 Police Budget and answer any questions.

Chief Coluzzi stated he looked over the differences from the 2005 budget to the proposed 2006 budget and noted the greatest increase is in salaries. He stated he proposed a 4.7% salary increase for uniformed staff and a 3.5% salary increase for non-uniformed staff. He stated he anticipates an increase of thirty-one to thirty-three officers by 2007 due to officers retiring in 2006. He stated he needs staffing increases for public safety. Chief Coluzzi stated many times during the years he has worked with minimum staffing which in the event of an emergency could mean the difference between life and death. He stated the rest of the budget is conservative and he is asking for only 3 vehicles in 2006 rather than 5 vehicles in the past.

Chief Coluzzi stated the budget also includes a request for \$43,000 to complete the 3rd phase of the police station renovation. Mr. Fazzalore asked what is the total spent on the renovation so far. Chief Coluzzi replied \$430,000.

Mr. Stainthorpe asked what are Other Benefits under the Expenditures. Chief Coluzzi stated the college credit incentive program. Mr. Stainthorpe stated it looks like no one collected any educational reimbursement. Ms. Sheridan stated payment is only made once a year in November and payment has not yet been made this year. She stated the program pays out 2% of a policeman's salary if they have a Bachelor's degree and 1% of the salary if they have an Associate's degree.

Mr. Stainthorpe stated that diesel and gas fuel could be adjusted from \$5.00. He asked what is included under Minor Equipment at \$25,000. Chief Coluzzi stated hand held radar units, radios and video security cameras. Mr. Stainthorpe asked why Traffic Signal Repair is in the Police budget. Chief Coluzzi stated that has always come out of his budget, which includes any repair needed or adjustment to traffic signals. Mr. Stainthorpe asked if there is any merit to take police cars to 120,000 miles rather than 100,000 miles. Chief Coluzzi stated that would be a great safety issue.

Mrs. Godshalk asked Chief Coluzzi if he was still receiving money from the state for the D.A.R.E. program. Chief Coluzzi replied yes, \$35,000 in income.

Mr. Stainthorpe stated he would like to see overtime reduced especially with the addition of new officers and reduce the fuel cost.

Mr. Fedorchak asked Chief Coluzzi to go over the installation of security cameras. Chief Coluzzi stated he received a \$9,000 grant for the installation of security cameras, noting the actual cost to install the cameras is \$6,000. He stated plans are underway to install cameras on Township owned properties such as Kids Kingdom, the pool, and Township Building. Mr. Stainthorpe asked if Comcast laid cables at or near Kid's Kingdom for the security cameras. Mr. Fedorchak replied yes and Comcast will allow the Township to hookup at Kid's Kingdom in anticipation of a signed franchise agreement. Mr. Stainthorpe asked when was the last time the mobile phones were looked at. Mr. Fedorchak stated that Chief Coluzzi is always negotiating new and less expensive plans, noting the most recent plan has no roaming charges.

Mrs. Godshalk stated she had some questions about Retirement Benefits. Ms. Sheridan stated when an officer retires his benefits get paid out to him/her such as leftover vacation and sick days as well as an \$8,500 bonus. She stated one officer is retiring this year yet payment will not be made until next year and a 2nd officer is retiring in 2007. Mrs. Godshalk asked what is \$67,600 in the budget under Retirement benefits. Mr. Stainthorpe stated the Township should look into what that number is. Chief Coluzzi stated he put the possible retirement two officers into one year.

Chief Coluzzi stated he and Emergency Management have been working with the schools on tactical response. He stated he obtained a \$34,000 grant with a 50% match to buy equipment for virtual graphics and to train school officials. He stated this program and grant only include public and parochial schools in Lower Makefield. Mrs. Godshalk asked if all of the schools have security on staff all of the time. Chief Coluzzi stated no they do not. Mr. Santarsiero asked Chief Coluzzi what the Township is spending on this program now. Chief Coluzzi stated more than the \$17,000 match the grant requires. Chief Coluzzi asked if the Board had any further questions.

Chief Coluzzi excused himself from the meeting.

PUBLIC WORKS DEPARTMENT

Mr. Jim Coyne and Ms. Donna Reardon were present at the meeting and passed out information on Liquid Fuels and the Public Works fleet. Mr. Coyne noted there is an increase in his budget from 2004 to 2005. Mr. Stainthorpe asked what Liquid Fuels are. Mr. Coyne stated Liquid Fuels is the money that is taken from the gas tax based on the number of miles/roads within the Township. He stated the Township would receive \$650,000 this year. Mr. Fazzalore asked if the Township could takeover Heacock Road. Mr. Coyne stated the Township took over Edgewood Road recently and now the Township is maxed out on road coverage versus the number of staff

he has. Mr. Fazzalore stated Heacock Road is the most traveled road in the Township and is in the most deplorable condition.

Mr. Coyne and the Board discussed needed repairs to the culvert on Edgewood Road. Mr. Santarsiero asked what Mr. Coyne would estimate the cost of the culvert repair to be. Mr. Coyne stated he estimates the repair to cost \$80,000 to \$100,000 and the repair would make the road wider and area for the water to flow through wider.

Mr. Fazzalore asked the Board, Mr. Coyne and Ms. Reardon to look at the total budget and noted if \$200,000 is removed from last year the budget only increases \$330,000 from last year. Mr. Fedorchak noted the fuel cost will be adjusted and it will reduce the budget.

Mrs. Godshalk asked Mr. Coyne if he has applied for a recycling grant this year. Mr. Coyne stated he has received more than \$960,000 in grant money since inception and \$47,000 in 2005 for a leaf loader.

Mr. Stainthorpe stated there is \$5,000 under Revenues for the tub grinder and asked what that is for. Mr. Coyne stated the DEP asked the Township if they would grind debris for a day. Mr. Stainthorpe asked if that fee was projected. Mr. Coyne replied no because tub grinder revenue is unanticipated. Mr. Coyne stated the Township also made \$10,000 in revenue on mulch in 2005.

Mr. Stainthorpe asked Mr. Coyne to review Snow and Ice Control under Expenditures. Mr. Fazzalore noted that Public Works had no new employees but an increase in Other Expenditures. Ms. Sheridan that is a result of the removal of \$200,000.

Mr. Stainthorpe referred to Ice and Snow Personnel and asked Mr. Coyne why he is budgeting higher in 2006. Mr. Coyne stated anticipating a higher number is wiser in the event we get more ice and snow than the prior year plus the state gives the Township money for this line item.

Mr. Fedorchak, Mr. Coyne, and the Board discussed the leaf collection process. Mr. Coyne stated Lower Makefield is the only Township to collect leaves by vacuum. Mr. Fedorchak stated with new developments that have new trees the Township will see a need for increased leaf collection in a few years. Mrs. Godshalk discussed her neighbors all use the same landscaper who pick up their leaves and dump them at the Township dump. She asked how does the Public Works Department know the landscaper is dumping for residents. Mr. Coyne stated he and Ms. Reardon check for residency when contractors and landscapers come in to dump.

Mr. Fedorchak stated leaf collection this year would cost \$300,000. Mr. Fazzalore stated the Township should determine how much it costs to pickup leaves and reassess the budget accordingly.

Ms. Sheridan noted Liquid Fuels has an estimated budget of \$645,000 for 2006, does that number include turn back money. Mr. Coyne stated he is not sure but stated he has equipment that needs replacing in 2006. He stated truck replacement costs \$90,000 and he has two small trucks overdue for replacement this year. Mr. Coyne stated he removed replacement of the trucks from his 2006 budget and is now asking to put it back in. Mr. Coyne stated he is asking for \$80,000 for one truck. Mr. Fazzalore stated to Mr. Coyne if he could make some reductions in his budget he should buy two new trucks rather than one. Mr. Stainthorpe stated Mr. Coyne will find savings in utilities and fuel costs and could apply the reduction to purchase new trucks.

Mr. Stainthorpe asked Mr. Coyne if he ever considers purchasing used equipment. Mr. Coyne stated he is in a state buying program where he gets very good prices on new equipment.

Mr. Coyne stated he would like to use paving money for infrastructure. Mr. Fazzalore noted that Public Works has a balance in Street Projects. Mr. Fedorchak stated Public Works is proposing the completion of the Lindenhurst Road traffic calming project, storm sewer work, Rock Run Dam project, and Edgewood Road in 2006.

Mr. Fazzalore asked what department does the money for paving come from. Mr. Fedorchak replied Liquid Fuels. Mr. Stainthorpe asked what department does street project money come from. Mr. Fedorchak replied Development. Mr. Fazzalore asked when the curb cuts program would be finished. Mr. Coyne stated this year.

Mr. Fedorchak referred to the Basin and Maintenance section of the budget. He stated \$490,000 has been budgeted for 2006, which includes a few part-time salaries and purchasing equipment to mow the basins. Mr. Stainthorpe asked where did the Basin and Maintenance balance come from. Mr. Fedorchak replied from the developers.

Mr. Fedorchak referred to the Street Projects section of the budget. He stated \$100,000 is budgeted for the storm water drain project. Mr. Coyne stated the storm water project would be done on Kings Road at an estimated cost of \$60,000. Mr. Fazzalore asked what \$285,000 for Rock Run Dam is. Mr. Fedorchak stated that is to replace the culvert. Mr. Santarsiero asked Mr. Fedorchak to break down the costs for the damn replacement. Mr. Fedorchak stated the cost would include getting the Department of Waterways to actually construct the damn. He stated the project qualified with the state and the state took over the project. The state did preliminary engineering and the Delaware River keeper and the neighbors had some objections that are being reviewed by the DEP and a decision will be made by the end of the year. Mr. Santarsiero stated then \$285,000 goes towards prep work for the damn.

Mr. Fedorchak stated he put \$250,000 for PennDot projects in the budget. He stated the Township made two submissions for grants, one for the TIP program, which has a 25% match and the DRJTC with a 10% match. He stated the number of projects put into the DRJTC is the same number of projects put in the TIP program. Mr. Fedorchak stated the projects are Creamery Road, traffic signals and road widening within the Township.

Mr. Fazzalore asked why the Township is budgeting money for a traffic signal within Yardley Borough when Yardley Borough received money for the traffic signal. Mr. Fedorchak stated the traffic signal is on the border of the Township and the Borough. He stated he never intended for the Township to pay for the traffic signal he just put in an application for a grant on behalf of the Borough. Mr. Santarsiero asked how much money has the Township asked for from the DRJTC. Mr. Fedorchak replied close to \$1,000,000.

The next budget meeting is scheduled for Monday, October 31st at 4:00 p.m.

There being no further business, the meeting was adjourned at 6:35 p.m.