

Minutes
Lower Makefield Township
Citizens Budget Committee Meeting
April 23, 2008

Attendees:	Colleen Klock	Ethan Schiller
	Kenny Martin	Tony Spisto
	Brian McCloskey, LMT Liaison	Greg Caiola, BOS Liaison
Guest:	Joe Menard	

Brian McCloskey called the meeting to order at 7:15PM. He distributed copies of the First Quarter 2008 Finance Director's Report.

The first order of business was a review, by Brian, of the LMT report on management of the potential sewer sale proceeds. This report was originally presented at the April 16 Board of Supervisors Meeting. It was decided to review the information, in order to reinforce how any proceeds would have been, or will be, handled, if the sewer system is ultimately sold. In addition, Brian wanted to make sure that the Budget Committee is aware of the possibility that he will come to them to discuss the need to build the Capital Improvement Fund with cost containment or a rate increase, or a combination of both.

LMT will require over \$3 million over the next 6 years to cover basic capital needs. Historically, these funds have come from developer contributions and fees. However, those funds will be depleted, unless there is a significant influx of funds, by 2011, because the Township is approaching built-out stage and home sales are at a 16 ½ year low. If LMT continues to maintain the sewer system, that would add to our capital needs as the sewer system ages. The question of Matrix was raised; it is projected that LMT will not receive the first payment from them until 2012.

If the sewer system were to be sold, two uses of the money have been suggested after the debt has been retired - covering the \$3million required over the next 6 years for basic capital needs, and the establishment of a rainy day fund in an amount exceeding \$6 million. This rainy day fund could earn approximately \$1million during the six years, which could be channeled into the General Fund, to help offset future tax increases. Joe Menard suggested it might be worthwhile to do our own rate projections for the sewer system to see if they match Aqua's.

It was noted that Matrix's first payment to the Township is not projected to be received until I 2012.

Greg Caiola noted that one of the goals for this year is to get a stream of revenue for LMT's historical properties. One source may be a donation from the Historical Commission. One objective of the May 4 tour of historical houses was to generate awareness among participants, with a follow up to ask for support at a later date. Greg commented on his desire to see more done with the historic properties, a senior center being one idea.

The next item was a review, by Brian, of the Finance Director's Report for First Quarter 2008. This will be presented to the Board of Directors at their May 7 meeting. First Quarter was trending as expected, with two exceptions: revenues were a little under expectations and expenses a little over. The revenues were a little under because of slow collections of real estate taxes, though, as of the printing of

the report, in April, the revenues had rebounded and were within expectations. The expenses were a little over because of the purchase of the Samost tract in January. It is expected that this year will be a challenge because of the housing crunch.

Ethan suggested that, if our transfer taxes are trending down as of June 30, the Budget Committee be prepared with suggestions on where we can pick up additional money to move back into the general fund.

In answer to a question about haulers' tipping fees, Brian noted that Otters had made their first payment to the Township in March, \$12,000.

Ethan asked if traffic lights in the Township were being replaced with environmentally-friendly LED lights; he understood that such a decision had been made. Brian will check with Public Works to see if that was done with the last lights that were replaced.

There was a discussion about whether the Makefield Highlands Golf Course contributes overhead to the General Fund. It was indicated that the Township Manager said they are not able to do that at this point.

Work will begin on the 2009 budget in July. The next meeting of the Citizens Budget Committee will be held on Monday, July 21, at 7PM, at the LMT Municipal Building. The meeting was adjourned at 9:40PM.

Respectfully Submitted,

Jeanne Bray, Recording Secretary