

TOWNSHIP OF LOWER MAKEFIELD
BOARD OF SUPERVISORS
SPECIAL BUDGET MEETING
MINUTES – NOVEMBER 20, 2023

A Special Budget meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on November 20, 2023. Ms. Blundi called the meeting to order at 7:15 p.m. and called the Roll.

Those present:

Board of Supervisors: Suzanne Blundi, Acting Chair
Daniel Grenier, Acting Vice Chair
John B. Lewis, Secretary
James McCartney, Treasurer
Colin Coyle, Supervisor

Others: David W. Kratzer, Jr., Township Manager
Alison Vogel, Assistant Finance Director

Mr. Kratzer stated the Board has met in two sessions prior to this session to critically review the Budget for 2024. He stated at this point, depending on the discussion, it would be customary that the Board of Supervisors adopt a Preliminary Budget and make it available for public inspection. He stated the Statute requires twenty days as a public inspection period.

Mr. Kratzer stated the 2024 General Fund Revenues are totaling just over \$16.4 million. He stated as has been talked about in prior sessions, that includes one-time transfers totaling about \$1.5 million coming from non-reoccurring Revenue sources. He stated there are some Sanitary Sewer Sale funds that are liquid in the amount of about \$1.37 million, and there is about \$141,000 remaining in the American Rescue Plan Act dollars that are proposed to be transferred into the General Fund. Mr. Kratzer stated General Fund Expenses including Inter-Fund Operating Transfers are equivalent to the Revenues so the Budget is showing that current year Revenues are meeting current-year Expenses with the caveat that there are these one-time non-reoccurring transfers that are occurring to make that happen.

Mr. Kratzer stated from a millage perspective, the General Purpose Tax which is currently at 13.88 mills is proposed in the draft to go to 14 mills, which is the statutory cap under the Second Class Township Code. He stated there is no

related to how the Township was operating, and we are now in a situation where we have to either fix this or continue “to kick the can down the road.” He stated he feels the Board is doing its best.

Ms. Blundi stated it has been a difficult time as we learned about where we are and how we got here. She stated people often comment about how much they pay in taxes, and Mr. Kratzer has advised that less than ten cents out of every dollar paid in taxes comes to Lower Makefield. She stated with that we have to pave roads, pay Police, insure that we have fire safety, pick up leaves, have the recycle yard, and pay for Township staff. Ms. Blundi stated it is not easy to have to raise taxes, and there are a lot of people in the community who are on a fixed income. She stated she is not sure that mills is the way to solve the issue. She stated as a Second Class Township there are constraints.

Mr. Grenier stated the Board is looking at long-term Budget planning and sustainable infrastructure. He stated one of the things that the Township achieved this year was a Certification through Sustainable PA meaning that we have met certain criteria to be considered a Sustainable Township. He stated that is not just sustainability from an environmental perspective, rather it is sustainability from an overall infrastructure, Budget, processes and procedures, and what it takes to be a sustainable Township across the board in everything that we do. Mr. Grenier stated when the Board considered the Budget this year, there were conversations as to how we need to structure the Budget not only this year, but for future years working with the Township Manager and the staff.

Mr. Grenier stated we are considering the addition of a Finance Director which is something that has not been implemented in the Township “very well – maybe ever.” He stated we are considering this because the Board is so concerned about the structure of future Budgets and wants to have someone that can keenly focus on finance issues with a support staff to implement these ideas. He stated that means that everything else will hopefully flow more smoothly without a huge cost increase from a staffing perspective and that they can find efficiencies to reduce costs other places.

Mr. Grenier stated with regard to projects that are in the Budget and how we are paying for those, we have had major issues this year with regard to infrastructure. He noted specifically July 15 which exposed a lot of items that we have to address as a Township that we maybe should have done a little bit sooner. He stated we are doing that now in this Budget. He stated there are potentially ways to do that better, and he is open to those ideas. He stated

a lot of that is not being paid through new millages, rather it is being paid through existing Bond proceeds from 2016 that have not been spent yet. He stated we are paying down Bond proceeds by implementing these infrastructure projects that are part of improving the overall Township infrastructure.

Mr. Grenier stated we are also looking at a new millage specific to roadway improvements that can be used not just for paving, but also for improving stormwater pipes, inlets, and other things as part of our infrastructure that is so important. He stated this will help us do projects in the short term, but it will also help us build up the funds for future projects by assessing that millage now. He stated that new millage can only be used for those infrastructure projects. He stated the funds will not just be put in the General Fund, but it will be put in a Fund that can only be used for certain items.

Mr. Grenier stated there are a number of other projects listed, and he feels the funds for those might be re-directed to other infrastructure projects as opposed to projects that are “nice to haves.” He stated he feels that some of the projects that we are spending money on are expensive, but we have applied for Grants for nearly all of them. He stated the Budget does not consider that we may get several Grants. He stated he and Mr. Kratzer met with the DCED this week to discuss potential future funding sources for various projects that could help with funding in the future. He stated if we find creative ways to funds things, it would not put so much of the burden on the taxpayers.

Mr. Coyle stated there are about a dozen people in the Township out of 35,000 who are watching the Board discuss a \$1.5 million structural deficit in the Budget. He stated he would probably have been one of those people not paying attention to the meeting if he was not on the Board. He stated we started the Budget process with a \$3 million structural deficit, and amazing work has been done by the Board and the Township staff evaluating what is really necessary and to provide for moving forward. Mr. Coyle stated people have come to meetings in the past indicating what projects they do not like, and we are at the point where we are covering the basics of what we have to do for the Township which is to address the roads and keep the community safe; and he thinks that is what this Budget represents.

Mr. Coyle invited the residents watching this meeting to speak to their neighbors over the next year since there will be a big Budget process again next year with big questions to discuss as to what the Township sees as vital and the minimum of what the Township has to do. He stated he

believes that what is proposed is a sensible Budget that includes what we have to do. He stated Mr. Kratzer has provided a list of millions of dollars of projects that the Township is going to do this year. He stated as noted those are not coming from the General Operating Fund from Tax dollars that residents are paying; and these are monies that can only be used for these types of projects. He stated cutting them will not help us reduce the burden on the taxpayers in any real way. He asked that all residents of Lower Makefield get more involved; and not worry about what happened in the past, but worry more about how we are going to sustain the Township for the next twenty to thirty years.

Mr. Grenier asked Mr. Lewis if he would consider a friendly Amendment to return the General Fund millage to 13.88.

Mr. Kratzer stated that would be about a \$60,000 reduction in revenue, but hopefully that could be managed throughout the year both through managing expenses and the opportunity for revenues to be in excess of what is projected based on what is known today. He stated the reduction would not have a material impact in terms of the overall structure of the Budget.

Mr. Lewis stated given the de minimus nature, he would be in favor of the Amendment.

Mr. Lewis stated State law requires a cap of 14 mills for the General Fund, but there are some ways to approach how to resolve that. He stated Bucks County has not re-assessed homes since 1972, and the assessment is based on very old values of homes. He stated in 2003, the County did a County-wide adjustment, not a re-assessment, that restructured the amount that the assessed value of houses would be, and therefore everyone brought their millages down commensurately. Mr. Lewis stated if that were to happen again, we would be out from the cap. He stated we also have the option to raise the General Fund an additional 5 mills by going to Commonwealth Court, which is what other Municipalities in Bucks County have done. Mr. Lewis stated as noted previously Lower Makefield has the sixth lowest Municipal taxes in Bucks County.

Mr. Coyle stated he would be in favor of the Amendment to the Motion.

Ms. Blundi asked Mr. Lewis if he would consider a friendly Amendment to make it clear that the Budget considers no new hires except for a Finance Director with the consideration that if Revenues come in greater than expected in 2024 that there would be consideration given to an additional Public Works employee. Mr. Lewis stated he would accept that.

Mr. Lewis stated if our Revenues come in at a higher rate than we anticipate at this time, we could be in a position where we could hire additional staff. He stated we are understaffed in a couple of areas including Public Works. He stated he would be supportive of that, recognizing that this is non-binding; and he would also like to consider an additional Police Officer to bring us up to full complement, and we would know that six months from now.

Mr. Lewis asked Ms. Blundi if she would be in agreement with looking at both of these positions six months from now, and Ms. Blundi agreed. Mr. Coyle agreed to this Amendment as well.

Mr. Lewis stated that friendly Amendment would be that the Board will consider in the second quarter of 2024 an additional staff person for Public Works and the restoration of a staff person in the Police Department if Revenues meet a certain level.

Mr. Grenier stated there are proposed to be no new hires at this point outside of the Finance Director, but we know that we want to hire a few key staff in Public Works and Police; and if Revenues do allow for it, he believes the Board is in favor of it. He stated this is a difficult decision that is being made at this point, but we want to be flexible in case something comes in more positive.

Mr. Lewis stated the reason the Board is adding this in is that once the Budget is passed, for the Board to add additional staff we would have to have a Resolution to allow us to do that; and we wanted to have flexibility. He stated this was the advice that was given to the Board from the Township solicitor in Executive Session.

Mr. Kratzer stated there is also an individual in the Park & Recreation Department who is leaving, and right now there are resources in the Park & Recreation Operating Fund to replace that individual, and he asked the Board's direction related to that issue. He stated that is not addressing the General Fund issue, and it could be brought back to the Board of Supervisors later to discuss. Mr. Coyle stated he believes that the intent of saying 'no new hires,' is that there is to be no net change; and Ms. Blundi agreed. Mr. McCartney stated the Park & Rec millage is at 2.43, and that would not increase; and Mr. Kratzer agreed it is not increasing. Mr. McCartney stated if we went with the plan of not hiring, it would decrease. Mr. Kratzer stated the difficulty is that if there is insufficient staff to run programs, the revenue could have a reduction as well.

Mr. Lewis stated the reason we are specifically speaking of Public Works and Police is because they are related to the General Fund which is where we experience the most concerns. Mr. Kratzer agreed adding that the other distinction is that there currently are not funds in the Draft Budget for either the addition of a new Public Works employee or the backfilling of the Police Officer as it currently stands.

Mr. Lewis asked if the current Budget has the removal of Community Day, and Mr. Kratzer stated it does not.

Ms. Laurena Stoddard, 220 Meadow Drive, stated Mr. Lewis stated that if monies come in at a certain level then we could potentially hire a Police Officer and a Public Works employee. She asked why they would include a “certain level and asked if that is because people do not pay their taxes.” Mr. Lewis stated there are a few reasons why revenue can be variable in Municipalities. He stated one of them is that we rely on the Real Estate Transfer Tax and Real Estate taxes when “things get re-used in different ways.” He stated if someone were to sell a large parcel of property, they pay a Real Estate Transfer Tax, and those transactions are “lumpy.” He stated we went through a period where we had a number of them, and we were above what we were budgeting consistently; but then interest rates spiked, and the number of transactions declined. He stated that could spike again particularly if certain things come on line, and we may then have additional revenues there.

Chief Coluzzi stated he appreciates Mr. Lewis keeping the replacement Officer on the radar. He stated reducing staffing of Police Officers and reducing public safety is a big concern of his. He stated he had been asked previously when we would realize any expense for the new Officer, and he had indicated that it would probably not be until the third quarter of the year. Chief Coluzzi asked if the Board realizes what that expense would be in 2024. He added that he believes that if we do not hire the new Police Officer in 2024, it would result in a savings of around \$25,000. He stated if they take that Police Officer’s salary and average it out with the next step raise that he would be entitled it would be a total of \$99,000 in 2025. Chief Coluzzi stated that is the cost of reducing public safety and what reducing a Police Officer will do for the Budget.

Chief Coluzzi stated there was discussion about the reduction in millage; and while he is glad that they were able to do that, that is about \$130,000 or \$65,000 and \$65,000 over that period of time. Chief Coluzzi stated with

the growth in the Township, the excessive calls for Police, and the fact that we now know that Shady Brook is going to develop, he does not feel reducing public safety at this time is a good idea. He stated he wanted an explanation of the savings so that the Police Officers who are listening could understand why the Board would not replace an Officer and that the public would know why there would be a reduction in public safety.

Chief Coluzzi asked if this is going to be the posture of the Board after all of these years to not replace Police Officers as they retire. He stated as he noted at a previous Budget Session, there are probably going to be two more Officers who will be retiring; and he asked if they are also not going to be replaced. He stated one will be in 2025 and possibly another one in 2024; and while that Officer has not submitted his notice yet, we expect it to be coming shortly.

Ms. Blundi stated the way it was phrased in the Budget, the hire would not be until the third quarter. She stated we are operating at a huge deficit. She stated the mills that were discussed equate to the Police Budget which while everyone believes is important, other things are also important. She stated the hope is that the other revenues that Mr. Lewis just discussed will materialize, and then we will be exactly where Chief Coluzzi wanted to be and where we think we should be. Ms. Blundi stated the reality now is that this is a very tough situation that we are in. She stated we are just trying to come up with a way that we do not totally erode our “savings account where in 2018 there was nothing and now we have something.” She stated we do not want to re-visit that experience again.

Chief Coluzzi stated he understands the position of the Board and the fiscal position of the Township as he has been here during those times, and he understands what happened the years before our new Manager came. He stated there are other means of revenue that have not been discussed tonight. He stated he understands they are hard decisions to make because they impact our residents, but he feels a decision needs to be made when we are talking about a Public Safety decision as to whether or not you want to go to 14 mills and gain the extra money, whether you want an EIT, or if you want to tap into the interest on the money from the Sewer Sale proceeds and put that back into the General Fund which can be done with a “super vote of the Board.” Chief Coluzzi stated he feels these are things that the Board needs to consider before they contemplate cuts in Public Safety and Public Works. He stated the Board’s main function is Public Safety and roads. He stated while the other things are nice to have, and we have had them over the years, if we are facing a bad

financial situation, we have to do something. He stated if we are not ready to do it in 2024, you are certainly going to be ready to do it in 2025. He stated he feels this should be addressed now and stop with the reduction of services and safety when there are means for the Board to gather the revenue to keep the Township moving in the right direction.

Ms. Blundi stated in 2024 one of our interest payments will roll off so there will be additional funds there, and in 2025 she believes that is the first year that we will get some of the interest from the structured Trust that we created. She stated because of the sale of the Torbert Farm, we know that there will be more houses that will bring in additional revenue. She stated she feels that with the passage of time we will be in a slightly better position. She stated she agrees with Chief Coluzzi that these are tough decisions, and that we have to have discussions about what new taxes look like or what an Earned Income Tax means for our ability to raise different sources of revenue and possibly reduce Real Estate taxes.

Mr. Grenier stated he appreciates what Chief Coluzzi is saying, and he feels that there are going to be new revenue sources in the very near future that are going to come on-line including new developments that will produce Tax Revenue in the hundreds of thousands of dollars, interest from the Trust, hopefully the Golf Course will be “what was promised or anticipated,” and that we will get more Grants so that there are additional revenues that can support the fundamental needs of the Township. He stated he believes that the Board is trying to slow down a little this year in anticipation of getting new revenue sources over the next couple of years. He added that when Police Officers retire, we can hire a more junior Police Officer at a lower rate. He stated he also feels we need to work with Chief Coluzzi to see if there are other ways to save within the Police Budget so that we can be fully staffed.

Chief Coluzzi stated he appreciates the comments and knows that the Board has good intentions; however, there is still uncertainty, and when you are dealing with public safety, you cannot deal in uncertainties. He stated you cannot bring morale up in the Department, and you cannot alienate employees or take the risk that something is going to happen in the Township or to an Officer who will not have backup. Chief Coluzzi stated if there were to be a tragedy, it will cost the Township a lot more not only financially but reputation-wise to the Board and to himself which is why he is so adamant about this. He stated it took us many years getting to the point where we had adequate

staff on each shift, Officers had back-up, and Officers could respond to medical emergencies. He stated Police Officers are first responders as they are on the scene first for almost everything. He stated he feels the residents should know about this before the Board votes to advertise a Budget that does not have a replacement for a Police Officer knowing that there will be more Officers retiring shortly. He stated he feels the residents should make the decision if they feel a couple of dollars more a year in taxes is worth that. Chief Coluzzi stated he hopes that there are residents listening and that they will voice their opinion in opposition to this posture.

Mr. Lewis stated they are going to be looking at this next year, and all we are saying is that we have not guaranteed the backfill immediately. He stated he feels that is a reasonable posture; and he does not feel we need to be put on “blast mode to delay something potentially for a quarter.” He stated he has always been in favor of making sure we had a sufficient number of Police Officers, and we are at a higher level than we were years ago before he came on the Board. He stated as he noted earlier, he has no problem raising property taxes to get where we need to be. He stated we should also consider that the State has put a cap on the Township and we should ask how the County can help us. He stated if a decision is made that we need the extra 5 mills, he would want Chief Coluzzi to advise that is what is needed for public safety reasons.

Mr. Lewis stated he does not want an Earned Income Tax, but that does not mean we cannot raise the taxes that we have. He stated we have this one small gap that we have an issue with and unfortunately it covers the Police function. Mr. Lewis asked Chief Coluzzi if he would go to Doylestown with the Board to speak to the Commissioners, and Chief Coluzzi stated he will go whenever the Board needs him. Chief Coluzzi stated he agrees that Mr. Lewis has been very supportive which is why he is very surprised that he is not supportive now.

Chief Coluzzi stated he is not a Board member, and he did not have to make the decisions that the Board has had to make over the years so that we would not be in this position right now. He stated there is nothing he could have done about this; and all he can do is to advocate and explain to the public the repercussions of less Police Officers and less Public Safety in the Township, especially with the growth in the Township.

Ms. Blundi stated she appreciates what Chief Coluzzi is saying. She stated Chief Coluzzi had indicated the new Officer would not be hired until the third quarter, and the Board is putting a hold on that until we see how the Budget comes in. She stated it is not as of January 1 that we will be down an Officer. She stated it is that the new Officer may be delayed in being hired, although hopefully there will not be a delay.

Mr. Coyle stated Chief Coluzzi is looking for \$25,000, and he has a request for \$25,000 for a license plate reader. He stated the Board is asking the Chief to trust that they will be able to see more money coming in half way through the year. He asked Chief Coluzzi if he would trust the Board to potentially find a different funding avenue for the LPR and shift the \$25,000 from the LPR request to the staffing request, and Chief Coluzzi stated that would be excellent. Mr. Coyle asked the opinion of the rest of the Board. Mr. McCartney stated the staffing request represents an annual expense and not a one-time \$25,000 charge. Mr. Lewis stated that would be happening anyway if we are going to keep the same number on the Police force. Mr. Coyle stated he agrees with the Chief that with the development happening in the Township, he does not see a way that we are not going to need even more than the current contingent of Officers within a three-year period.

Mr. Coyle asked Mr. Lewis if he would entertain a friendly Amendment to the Motion to shift the \$25,000 in LPR funding to staff funding to allow the Chief to be guaranteed to make that hire toward the end of the year.

Mr. McCartney stated he does not want to guarantee anything. He stated he does not feel we can carry an additional expense going into the next year. He stated the General Fund represents \$7.7 million per year, and Police are currently taking up \$7 million, and in three years, they are going to be taking up \$7.8 million which puts us over the 14 already. Chief Coluzzi stated that is “not unusual anywhere you look in any Budget in any Township.” Mr. McCartney stated he does not know how you operate from an operations standpoint with a Police Budget that is over your General Fund. Chief Coluzzi stated as he noted it is not unusual. Mr. McCartney asked if those other Municipalities are offsetting with other income streams, and Chief Coluzzi stated they are offsetting it with all the other income streams that he mentioned. Mr. McCartney stated this is “setting us up to go down a road that none of us want to go down.” Chief Coluzzi stated then there will be a lack of staffing and a reduction in Public Safety.

Mr. Grenier stated there is a significant increase in the 2024 Budget over the 2023 projected in diesel and gasoline fuel in the amount of \$19,000 which is almost the cost of the new Officer in the fourth quarter. He stated there are also some other items that are a \$5,000 to \$10,000 increase in 2024. He stated these increases impact whether or not we can get this individual on staff. Mr. Grenier asked why there would be a \$20,000 increase in fuel if we have basically the same number of vehicles. Chief Coluzzi stated we usually go by an average of the gallons of gas used per year, and we get a number from the Road Department as to what the fuel will come in at. Chief Coluzzi stated that may be high, and it may come in lower; but he did not want to lie to the Board and say we will come in at \$10,000 in fuel and then come in at \$20,000. He stated he wants to give the Board as accurate numbers as he can.

Mr. Grenier stated a few years ago we entered into a new Lease Agreement. Chief Coluzzi stated that reduced mechanical costs so there is less in that Budget. Mr. Grenier asked if we should look at potentially more fuel-efficient vehicles such as cars versus SUVs to see if we could get some savings back. Chief Coluzzi stated it is possible that there might be less fuel used, but looking across the Nation everyone is going away from sedans because the SUVs are safer and last longer. He stated they are also better in snow conditions, and they fit more equipment. He stated there is a significant amount of equipment that Police Officers now have to carry. He stated they also transport prisoners so there is a cage in the back seat. Chief Coluzzi stated the movement is away from sedans and there is a minimal difference as far as cost especially when you are leasing vehicles.

Mr. Grenier stated he is trying to see if there are other savings. He asked Chief Coluzzi to look at the Police Budget to see where we may be able to get some savings to make it easier for the Board. Chief Coluzzi stated he feels we are over just 1 ½% of non-flexible issues in the Budget so there is not a lot to cut; but he will look into that.

Chief Coluzzi stated you cannot put a price on having an extra Police Officer when there is an emergency. He stated he has fought for Officers over the years, adding that he was patient when Regency started and he testified about the hospital as to how many more Officers we would need if the hospital had been built. He stated he never came to the Board asking for six more Officers because Wegmans is coming in. He stated it is common sense that we need more Officers since there will be people not only from Lower Makefield but from everywhere coming to that location. He stated

that just takes into account the traffic alone and does not include criminal offences or safety issues other than traffic “that is going to cause a nightmare.” He noted everything the Police Department does outside of our responsibilities for any private companies we get reimbursed. He stated we also do a good job of getting Grants, and he feels that we got close to \$2 million in Grants over his twenty-three years with the Township. He stated he feels “to short the Police Department and the residents is wrong because it will not help the Budget especially when in 2025 there will be major issues.”

Ms. Blundi stated asked about the proposed Amendment, and Mr. Lewis stated there was a proposal to shift the LPR funding to replace the Officer. He stated he had not formally accepted that as an Amendment. Mr. Coyle stated while he knows that number for the LPR is there, he asked if someone could tell him the exact account. Mr. Kratzer stated that it is in Capital, and Mr. Lewis stated that would not get us an Operating solution.

Mr. McCartney stated it is also a one-time fixed cost versus a recurring expenditure. Mr. Coyle stated he believes that the Officer should be replaced. Mr. McCartney stated it is not whether the Officer should be replaced or not, it is that he does not feel that we can afford it as we do not have the money.

Chief Coluzzi stated the Board is talking about hiring a Finance Director that has not been here under the last three Managers. He stated while he would like to see a Finance Director, the Board is saying that they do not have enough money for a Police Officer and safety, but they have the money to pay a salary that will be in excess of \$170,000 plus benefits for a Finance Director so he feels that the Township does have the money. Mr. McCartney stated he feels the reason why we are in this position is because we did not have a Finance Director. Chief Coluzzi stated he disagrees as he does not feel a Finance Director is going to “magically create revenue.” Mr. McCartney stated he feels a Finance Director will manage our finances better than we have been.

Ms. Blundi there was discussion previously about the Police using SUVs, and she asked Chief Coluzzi if the future of policing is that all vehicles will be SUVs. Chief Coluzzi stated he believes that most Police vehicles will be SUVs because of the safety and the equipment that is required for Officers to carry. Ms. Blundi stated she feels we should discuss that further since if we are shifting from mostly sedans to mostly SUVs she is not sure what the impact to the Budget will be in the future.

Ms. Laurie Grey stated she is a Township resident. She asked if Community Day is in the General Fund. Ms. Kratzer stated it is in the Park & Rec Operating Account. Ms. Blundi stated she is going to propose an Amendment to take out Community Day.

Ms. Grey stated she does not know what is in the General Fund and what is not in the General Fund. Ms. Blundi stated Park & Rec is one of the Departments that is allowed to have its own Tax levy, so most of what happens out of that Department would be within the Park & Rec millage. She stated Public Works, Township staff, and Police all come out of the General Fund millage of just under 14 mills.

Mr. Coyle stated he will withdraw his friendly Amendment given that it will not work towards helping ease the Police Officer issue.

Mr. Lewis stated at this point we are at General millage of 13.88 mills and a resolution on new hires, and that is all we have that is different from the current draft Budget.

Ms. Blundi asked Mr. Lewis if he would accept a friendly Amendment to eliminate the funding for Community Day from the Budget.

Ms. Blundi stated the cost for his event is almost \$50,000; and while Ms. Tierney does a great job and \$50,000 will not solve our structural deficit, she feels at this time when the Board is making very difficult decisions, it is not appropriate to spend money on fireworks.

Mr. Lewis and Mr. Coyle were in support of this Amendment.

Mr. Grenier stated the concept of Community Day is very positive and important, and he hopes that we can re-visit it in future years in a manner where it is re-invented to something that is not as costly to the Township but still provides a benefit to the Township.

Mr. McCartney stated there was discussion by the Board about having Board-approval for expenditures during 2024 because of how lean everything is. He asked if the Board would be interested in reviewing expenditures during the meeting before they are executed by the Department. Mr. Kratzer stated he would not have an issue with that. Ms. Blundi stated while that is not part of the Budget, she feels the Board could make such a Motion once we are done with the Budget.

Mr. Grenier stated the leaf collection program takes a lot of resources from Public Works over the course of a month or two, and they are just focusing on leaf pick-up and processing. He stated looking at the Leaf Fee and the service provided he asked if the Fee needs to be increased or is there a need to change things. Mr. Kratzer stated the Fee is proposed to be increased in 2024 from \$70 to \$90 annually. He stated the Fee has not been increased for a number of years. He stated that is necessary to cover the costs associated with the leaf collection. He noted Mr. Fuller had provided a spreadsheet showing the expenses currently captured by the Fee; and then there were items that were not currently being captured including the cost of fuel, wear and tear on equipment, and a number of other items. Mr. Grenier asked if the increase to \$90 does not really cover the cost of the program when you consider the other items, and Mr. Kratzer stated it would cover it.

Mr. Lewis asked if that flows through the General Fund, and Mr. Kratzer stated it does. Mr. Lewis asked if we feel that the Leaf Program has been subsidized by the General Fund, what would an additional \$5 increase do to the revenue being collected. Mr. Kratzer stated there are currently about 9,200 properties that are assessed so the additional \$5 would be about \$46,000. Mr. Kratzer stated this could pay back the subsidy that occurred during the period of time when the Fee was not sufficient to cover costs. Mr. Lewis stated this could be a one-time circumstance where we are making a correction.

Mr. Lewis stated Public Works has done a great job with the Leaf Collection Program this year. He stated we have not done a cost analysis of all of the true expenses involved in the Leaf Collection Fee. He stated he is a supporter of the program, and it is only in recent years that he has really received any benefit from it. He stated it has been a great program for its recycling value, but we need to make sure that the costs and the fees match up. He stated if we feel that we have been under funded for a while, we could over collect a little more and that will give us additional General Fund money.

Mr. Kratzer stated Mr. Fuller showed on his spreadsheet that based on the costs of the Program there is a net loss under the current \$70 assessment of about \$153,000. He stated that is what was necessitating the proposed \$20 increase. Mr. Lewis stated if it were increased by \$25, that would provide some extra.

Ms. Blundi stated she appreciates that Mr. Fuller put together the spreadsheet, and she feels it is important to consider the real costs. She stated she did not realize that almost all work stops in Public Works for the two months

that they are collecting leaves. She stated we are also the only Township that collects leaves. She stated for those two months, potholes are not being filled and maintenance is not getting done. Ms. Blundi stated two e-mails were received recently from people concerned about some signs that were precarious and might fall over. Ms. Blundi stated if we were to do a true accounting, we might have to think about temporary staff to fill the role of Public Works while they are out doing leaf collection; although she is not saying we would do that. Ms. Blundi stated she appreciates that this is the first time the Fee is being proposed to be increased since 2017 and there has been inflation; however, she agrees with Mr. Lewis that increase may not be enough.

Mr. Kratzer stated there is supplemental labor that is brought in to assist with leaf collection already; and despite that additional labor being brought in, it is still requiring the use of our internal labor force during the two-month period.

Mr. Lewis stated he would propose an Amendment that the Leaf Assessment be increased to \$95. Mr. Coyle stated he would support that Amendment.

Mr. Lewis stated we are the second most affluent Municipality in Bucks County and one of the most affluent Municipalities in the State of Pennsylvania and the Country. He stated the financial challenges we have are somewhat structural based on State Law and past decisions. He stated we are getting ourselves “out of that fix half or most of the way now, and overtime, hopefully soon we will probably get the rest of the way out.

Mr. Coyle stated he understands that because the staff is occupied with the leaf collection, we have to rely more on contracted service, and he will support the Amendment.

Mr. Coyle stated looking at the Budget for next year and the Actuals for this year, most of the emergency costs for Maplevale were incurred under Public Works in the amount of approximately \$500,000 above what was budgeted. He stated while we have increased that particular account, he is concerned that it might not be enough. He stated what we have done with the 2 mills for the Road Program is just to cover what we were already planning to do for roads.

Mr. Coyle proposed a friendly Amendment increasing that from 2 mills up to make sure that we are covering stormwater management costs. He stated we know that we are not nearly done the repairs and changes that are needed at Maplevale, and he does not want to structurally underfund that or other parts of the Township.

Mr. Grenier stated with regard to the approximately \$500,000 for Maplevale related items, he believes a lot of that was done within the PennDOT right-of-way or on property owned by PennDOT and other State entities that we did on their behalf. Mr. Kratzer stated that is correct for a portion of the work that was done; and we were waiting for those bills to come in in their entirety, and were then intending to have a conversation with the Commonwealth about that work. He stated we cannot count on the Commonwealth providing any reimbursement of those expenses. Mr. Grenier stated he feels the first approach should be to see what reimbursements we can get for work that we did when others should have been doing it; and we did it because it was important to get it done quickly because our residents needed it.

Mr. Grenier stated also we applied for a Grant for some of the work that was planned, but we are still waiting on the award of a Grant, and Mr. Kratzer stated there is the potential for the award of a Grant. Mr. Grenier stated that work was previously called Maplevale Phase 2, and it is now called the Highland Drive work.

Mr. Grenier stated we are also contemplating sometime in 2024 to institute a Stormwater Fee that would be similar in effect to millage; and while it would not be a millage, it would be an equitable Fee based on impervious surface since most of Townships in the Commonwealth and around the Country have similar fees so that they can do stormwater-related infrastructure projects. He stated we did not want that based on the millage going forward. He stated this would be for future stormwater infrastructure projects.

Mr. Grenier stated while he is not opposed to raising the Road Millage, he feels it is more equitable in the long-term if we focus more on the Fee Structure versus the millage.

Mr. Coyle stated with regard to the comment about items being underfunded and the need to catch up, he appreciates an equitable approach so that if someone has a big patio and a pool, they should have to carry more of the weight; however, the low-lying areas of the Township are critical and effect all residents which is why he is comfortable with a millage that the entire Township contributes to. He stated in the account in Public Works which includes the cost for work done in Maplevale, the projected 2023 is \$473,000 over the approved Budget amount for

2023. He stated we are funding it more in 2024 taking it from \$216,000 to \$261,000, but an additional \$45,000 does not seem like much since we are behind and need to catch up.

Ms. Blundi stated that when people bring up an Earned Income Tax, there is a “visceral reaction,” but we have a lot of people in the Township who are on a fixed income; and she is concerned that by only looking at taxes associated with property, that we are unintentionally “putting the squeeze on them.” She stated she is trying to compromise, but when we keep adding more, she feels that there should continue to be discussions in the future to come to a better solution.

Mr. Kratzer stated there are a number of projects using 2016 Bond proceeds that have pending Applications; and he does not feel we will get all of those projects funded. He stated there is in excess of \$1.1 million of outstanding Applications that have been submitted for projects. He stated the merits of our projects will be evaluated against the merits of projects throughout the Commonwealth, and there are political realities in terms of the distribution of those funds. He stated he is hopeful that we will get something and then have the ability to re-allocate funds, and that could be discussed in the future.

Mr. Coyle stated he will not request a friendly Amendment as he previously described as he does not feel there is a sentiment on the Board to approve that.

Mr. Coyle stated when he applied for the Supervisor position, he advised the Board that one of the reasons he chose to live in Lower Makefield as opposed to Newtown Township when he moved back to the area was because there was no EIT in Lower Makefield. He stated he hopes that the Township can have forums and discussions around the fundamental Tax structure of the Township throughout the course of the next year. He stated he believes that we are at a juncture where a fundamental discussion about how we tax in the Township is necessary.

Mr. Kratzer stated the public should know that there is the contemplation of the development of a strategy over the course of 2024. He stated 2024 does allocate some funds, which would be partially Commonwealth funded if our Application is successful, to participate in the Pennsylvania Development of Community and Economic Development’s Strategic Management Planning Program. He stated these issues regarding Tax

structure, operational efficiencies, and all of those types of issues that are the basis of the conversation that is occurring, are part of the Program. He stated one of the elements that is contemplated in 2024 is to participate in that Program so we can look at all of these issues including Public Safety staffing, the Tax structure, the structure with the Finance Department and other Departments based on best practice and not just what has occurred in the Township but based on best practice across the Commonwealth of Pennsylvania and the Nation. He stated there are funds set aside for that, and he is hopeful that to the extent that we engage in that kind of conversation, all of these questions will be considered as the Board is forced to make difficult decisions moving forward.

Ms. Blundi thanked Mr. Kratzer for bringing this Program to the Board's attention adding that she hopes that we get selected. Mr. Kratzer stated Lower Makefield is in a unique situation since there is general affluence in the community, although that is not to suggest that everyone is of a certain stature. He also noted that the lack of re-assessment is creating some of our issues and this has been built upon past decision-making based on the Statutory constraints so it is not an easy circumstance that the Board finds itself in. He stated there are some unique circumstances in Lower Makefield and in Bucks County that are creating the realities that the Board is now facing.

Mr. Coyle stated that he knows that there are people in the Township who are struggling, and it is not just those on fixed incomes. He stated he knows the impact it would have had on his own family when he was growing up in Lower Makefield if taxes were raised. He stated ultimately we have to look at the good of the Township as a whole.

Mr. Lewis stated different levels of Government subsidize different generations. He stated the Federal Government skews a lot of the benefits toward older people, and States and Localities tend to serve younger people. He stated Public Schools are a large portion of taxes, and Lower Makefield is only 9% to 10% of the taxes at most. He stated the State does have programs for people who have issues and cannot afford their property taxes, and there are Rebate Programs which are getting funded.

Mr. Grenier noted the schedule of projects proposed to be funded either from the 2016 Bond proceeds or the Fee-In-Lieu Fee, and he stated there are a few that he questions whether we really need them. He stated there may be an infrastructure project that is not on the list that might have a

greater net benefit. He asked if there are projects from other Departments that would be eligible to be paid through the Bond proceeds that we might want to replace for some of the listed projects that may not be as immediately necessary.

Ms. Blundi asked if the Schedule that has been provided is flexible. Mr. Kratzer stated while this is the Budget, it is somewhat rigid but not entirely. He stated all of these projects from a Capital perspective are projects that will come back before the Board of Supervisors for discussion prior to release of anything from a bidding standpoint. He stated he does not intend to advance anything just because it is on a list, and his intention is to engage the Board in conversation based on the reality of the circumstances at the time to make a decision as to whether the Board wants to pursue something.

Mr. Kratzer stated included on the list, the shade structure at the Memorial Park playground is an addition to the Park, but the rubberized surface is an existing asset that is in need of replacement, although it may not need to be replaced in 2024 and possibly it could be deferred. He stated the only one he would refer to as a true expansion that does not relate to Capital maintenance is the expansion of Memorial Park, adding that is being supported by a \$900,000 Grant from the Commonwealth of Pennsylvania. He stated there is a gap which is not insignificant in the amount of \$310,000, and there is a timeframe as to whether the Township wants to take advantage of the funding or not; and that is a decision for the Board to make. Mr. McCartney stated the total project cost for the Expansion of Memorial Park is \$1.2 million. Mr. McCartney asked the timeline for that, and Mr. Kratzer stated the deadline for that is not until June 30, 2026. He stated that project has not been fully engineered, and it is more conceptual in nature. Mr. Grenier stated there is the potential to delay that project, if necessary; but it is still based on Bond proceeds and not new millage.

Mr. Grenier asked what if Land Studies were to come up with something that could improve things; and Mr. Kratzer stated he would bring that to the Board indicating that this is an opportunity to advance an infrastructure project. Mr. Grenier stated we would then give up one of the listed projects, and Mr. Kratzer stated that would be possible. Mr. Kratzer stated last week we met with FEMA about their BRIC program which enhances community resiliency as it relates to stormwater/flood issues; and between that and the ongoing work that Land Studies is doing it is likely that an opportunity will present itself that results in a recommendation, and he understands that is a priority.

Mr. Coyle stated with regard to the Park & Rec Fee-In-Lieu projects, this Budget is not taking any money out of the General Fund into the Park & Rec Fund so holding off on any of those projects does not make any impact on this Budget. Mr. Coyle stated it may have an impact in ten years with regard to maintenance, and Mr. Kratzer agreed.

Ms. Blundi asked Mr. Kratzer to expand on the issues related to Maplevale. Mr. Kratzer stated Phase 2 of Maplevale is now an expanded project called Highland Drive Drainage Improvement and is currently proposed to be funded. It is estimated to be another \$700,000 investment in that area of the Township. He stated Land Studies is anticipating to be at the Board's meeting on December 6 to present a final report, and it is likely that there will be additional recommendations coming out of that. He stated that work is a priority, and we are committed to addressing that issue; but we do not have costs associated with a lot of that because it is still being evaluated.

Ms. Blundi stated the other thing she feels that is not "swappable" is Patterson Farm.

Mr. Kratzer noted some additional projects including the Charles Boehm streambank restoration, the Hidden Oaks basin retrofit, and the Five Mile Woods porous pavement which are all Pollution Reduction Plan projects which are part of the Township's NPDES Permit for discharge of storm-water and meeting the requirements under that Permit. He added that there are significant Grant Applications that are currently pending on those so there may be some freeing up of money there as well.

Mr. Kratzer stated everything else is what he would characterize as Capital maintenance and not Capital expansion.

Ms. Laurena Stoddard, 220 Meadow, asked for clarification on some of the numbers that were indicated with regard to Maplevale. Mr. Kratzer stated the first figure was a Grant Application that is pending in the amount of \$147,000. He stated the Phase 2 project has changed to the Highland Drive Drainage Improvement Project which is estimated at \$697,000, and that is funded in the proposed Budget. Ms. Stoddard stated there is also the work being done by Land Studies "which we have not gotten anything back on for why we flooded." She asked if their recommendations are not funded. Mr. Kratzer stated that was part of the discussion that just took place of potentially re-allocating

dollars from some of the listed projects to any proposed project that may come out of that Study. He stated that Study has not been completed, and it should be before the Board of Supervisors in two weeks.

Mr. Coyle stated this Budget does include more money in all of the Budget areas that paid for the emergency response for Maplevale “and everything else.” He stated there is significant spending in this Budget for stormwater remediation and Maplevale.

Ms. Stoddard stated she does “not want to get rid of the Police and the Public Works people, and she is not sure that she cares about the leaves, although she is sure some people do.” She stated she is concerned about \$700,000 for something since we do not know yet that Highland has anything to do with our flooding. She stated it may be “coming from the Giant Food Market and the creeks up there.” She stated we do not know what Land Studies is going to say in two weeks. She stated while she does not want to not allocate the \$700,000 “to the drains which she feels is a great thing,” Land Studies may come back and say that “we flooded because Giant is pouring out water onto the creeks.” Mr. Kratzer stated there is a Budgetary number shown, and there has been no bidding of that project. He stated if Land Studies comes back in two weeks and advises what needs to be done to address the issue, he believes the Board would re-evaluate whether it make sense to proceed with the Highland Drive project as contemplated or to re-allocate funds to address whatever is noted as the priority.

Ms. Stoddard stated if Highland Drive and other things are important to this repair, she understands that Mr. Kratzer has indicated that there is the potential to flip some of the projects; and Mr. Kratzer agreed. Mr. Grenier stated that is what he was asking since it all comes out of the 2016 Bond proceeds. He was asking if we voted on the Budget as proposed was there anything stopping the Board from funding something other than what has been identified on the list of projects; and he was advised that those projects could be switched out if there is something that is a higher priority using the funds that we have.

Mr. Kratzer stated the Budget will be available for public inspection. He stated that there has been some interaction between the Township and the Federal Railroad Administration regarding Rail crossings in the Township. He stated there is currently \$500,000 of Bond proceeds that

is allocated as a placeholder in the event that the Township is required to make those improvements. He stated if something is identified as a priority project that relates to critical infrastructure, it would be brought back to the Board of Supervisors to discuss re-allocation of those funds from what is contemplated currently in the Budget to what presents itself based on the evaluation.

Mr. Kratzer stated there is over \$2 million of Capital stormwater-related projects that are currently being shown on the list although they are not all related to Maplevale. He stated \$2 million is substantially more than what the Township has historically spent on stormwater management.

Mr. Lewis stated the \$500,000 being shown for the Railroad has been shown for three or four years, and it has still not been worked through. Mr. Kratzer stated we have been waiting for information from the Railroad administration and we keep being told that the letter is pending.

Mr. Lewis stated for each of the projects the Board of Supervisors is going to be approving the design work, voting to go to Bid, and voting to accept the Bids so there are a number of votes required from when a project is included in the Budget to when it actually gets done. He stated prices can also change significantly. He stated there have been instances when projects go out to Bid, but they come back too high, and the Board has voted not to proceed with some of them. He stated he had voted no on the Dog Park because the Bid came in much higher than anticipated, and it then turned out to be even higher. He stated there is variability on all of the steps, and the Board will be following the process at each stage.

Ms. Stoddard recommended that they do a "Design Build Bid" so that whatever is designed, they are actually allocating at the same time so that they do not lose several months for construction.

Ms. Stoddard stated two years ago there was a flood, and she thought that we went out for money at that time for a Grant; and she asked if all of that money was spent on Maplevale. Mr. Kratzer stated there was money from the ARP dollars, and there is a small residual amount that will go toward the Highland Project which was Phase 2 of Maplevale. Ms. Stoddard stated she is referring to the \$216,000. Mr. Kratzer stated he believes it was \$237,000, and there is still a small residual which will be spent on Maplevale/Highland.

Ms. Laurie Grey stated she is a Lower Makefield Township resident. She is glad to hear that there was money allocated in the 2024 Budget to develop a strategy for 2024 and going forward. She stated she also understands that when the public is able to see all the documents, they will see the Schedule that has the Capital projects; and Mr. Kratzer stated that will be available. Ms. Grey stated she understands that the Capital projects are paid for out of Grants and the 2016 Bond proceeds, and she asked if that is correct. She also asked the total of the Capital projects at this time.

Mr. Kratzer stated on Schedule E, which is the Capital projects listing, other than Grants, for which there are notations on the side bar about the submitted Grant Applications, there are two primary funding sources being shown. He stated one is the 2016 Bond proceeds. He stated the Township had issued General Obligation Debt in 2016 for a variety of purposes; and there are residual Bond proceeds that should be spent for Capital purchases for which the Tax-Exempt Debt was incurred. He stated a second source, which is a more-restricted source, is Park & Rec Fee-In-Lieu of Funds. He stated when a developer does not provide public-dedication park land, they pay a per-unit fee; and that money is able to be used for Capital additions to the Park system, maintenance to the Park system, and like expenses.

Ms. Grey stated she understands that no Tax dollars per se are going to fund Capital projects, and Mr. Kratzer agreed for those Capital projects that are listed. Mr. Kratzer stated the total sum of the projects shown on Schedule E is \$4,775,008.

Mr. Coyle stated with regard to the 2016 Bond proceeds statutorily we cannot continue to hold those funds, and they have to be expended. Mr. Kratzer agreed adding that when you issue Debt there is a reasonable expectation in terms of spending those, and we are currently technically beyond what is in the Statute regarding Tax-Exempt Debt due to COVID and a host of other things; but they should be expended as quickly as possible.

Ms. Grey asked if there are other Capital projects that are not on Schedule E. Mr. Kratzer stated there was discussion about other stormwater-related projects that may come out of the on-going evaluation that Land Studies is doing; and at that point we would have a discussion as to how those projects would be funded whether it is re-allocation of these monies or potential use of other monies.

Ms. Blundi stated there are other Capital expenditures, but these are the larger-ticket items. Mr. Grenier stated there is also the Golf Course Capital Projects that are not part of Schedule E.

Ms. Grey stated she appreciates Ms. Blundi's prior comments as she is a Senior Citizens on a fixed-income.

Ms. Grey stated there was discussion about raising the Leaf Collection Fee, and she asked if that Fee comes out of our taxes. Mr. Kratzer stated it is a separate assessment that is shown on the Tax Bill. He stated it is a Fee, and it is not based on the assessed value of the property. He stated it is a flat Fee being assessed for the service being provided. Ms. Grey asked why we have leaf collection since she understands that we are one of the few Townships that provide this. She stated half of the people in her neighborhood pay a separate contractor to take their leaves away, and they did not realize that the Township does this. She asked why we are doing this when we are talking about the financial situation that we are in.

Ms. Blundi stated a former Supervisor had suggested eliminating this service, and there was a huge outcry. She stated she does feel that is something that we need to talk about although there are people in the Township who love the Leaf Program. Mr. Kratzer stated he worked with a Public Works Director in the past, and we did not have curbside leaf collection; and that Public Works Director had been with the Municipality for over thirty years, and his goal, because of the extent of effort from a time standpoint and from a financial cost standpoint, was to retire prior to the Municipality doing curbside leaf collection. He stated in his prior jurisdiction, the amount of money and time that was spent on leaf collection and Capital equipment related to leaf collection was extraordinary.

Ms. Grey stated she feels it is important that she and others make the residents of the Township aware of what is going on. She stated if people understood this, they would be willing to take care of their own leaves. She stated while it is \$95 to the residents, it costs the Township a lot of money to do this, and we could be spending money other ways. Ms. Grey thanked the Board for taking the time to go through the Budget and for explaining it in greater detail.

Mr. Coyle stated residents should be reminded that when they rake their leaves, they should rake them onto the grass and not the street since when leaves go in the street and there is a storm, the leaves clog our storm drains and contribute to stormwater issues.

Mr. Michael Brennan, 6 Maplevale Drive, stated mowing your leaves is much healthier for your lawn than raking your leaves and waiting for leaf pick-up; and if everyone did that, we could eliminate the program.

Mr. Brennan asked if there has been any informal feedback from Land Studies as to what kind of projects or costs are anticipated. Mr. Kratzer stated he had indicated that we met with PEMA, and Land Studies was part of that to discuss potential funding Applications and the improvements. He stated two of the projects they are looking at currently relate to the potential construction of basins on the two Township-owned parcels both north and south of Maplevale. He stated as part of that we will be doing some infiltration and soil sampling to evaluate the infiltration capacity of those soils. He stated there has also been discussion of some other conceptual items.

Mr. Brennan stated at this point we do not have any idea of the cost for anything they might propose, and Mr. Kratzer stated it is all high level at this point. Mr. Brennan asked if the basins north and south would be near where the pumping station is, and Mr. Kratzer stated it would be the Township parcel south of Maplevale and north as well, and there would be infrastructure to direct flow to the basins. Mr. Brennan stated it would be where the new drain was put in, and Mr. Kratzer stated it would be on that site and on the site to the north.

The Motion carried unanimously.

Mr. Kratzer stated as a result of the Board adopting the Preliminary Budget and authorizing its availability for public inspection, we will make the changes that were noted including reducing the General Purpose Millage rate currently being shown in the Draft from 14 mills back to its current rate of 13.88 mills. He stated while it does not have an immediate effect on the Budget per se there was a commitment to re-visit staffing based on Revenue and Expense performance over the course of the year for any hires that are currently not allocated within the Budget. Mr. Lewis stated the resolution was predominantly Public Works and the restoration of the Police Officer. Mr. Kratzer stated there was also a direction to eliminate funding for Community Day out of the Park & Rec Operating Account and to increase the Leaf Assessment to \$95 as an annual Leaf Assessment. The Board agreed that those were the items agreed to.

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Mr. Kratzer stated the changes will be made, and we will advertise the availability of the Budget for public inspection through the newspapers as we are required to do as well as on-line. He stated based on the required twenty-day inspection period, the Budget will be placed on the Board of Supervisors Agenda for December 20 for final consideration and potential adoption.

There being no further business, the meeting was adjourned at 9:15 p.m.

Respectfully Submitted,



John B. Lewis, Secretary