

**TOWNSHIP OF LOWER MAKEFIELD
BOARD OF SUPERVISORS
SPECIAL BUDGET MEETING MINUTES
MONDAY, OCTOBER 31, 2005**

A Special Budget meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on Monday, October 31, 2005. Mr. Fazzalore called the meeting to order at 4:05 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 (absent)
Steve Santarsiero, Supervisor
Frank Fazzalore, Supervisor
Pete Stainthorpe, Chairman (joined meeting in progress)

Others:

Terry Fedorchak, Township Manager
Hank Hoffmeister
Tom Zarko, CKS

SEWER

Mr. Fedorchak reviewed the sewer debt service program and noted the bonds on the debt service are nearing the maturity date in three to four years. He stated he called Gordon Walker to discuss the options at the end of the debt service program. Mr. Fedorchak stated the Township's options are to wrap-around the debt service or refinance. He stated his goal is to keep the debt service in the \$650,000 range. Mr. Fedorchak stated Mr. Gordon informed him he did not think the bonds were callable but the Township could wrap-around the debt.

Mr. Zarko from CKS was present at the meeting. Mr. Fazzalore asked Mr. Zarko for a status on the emergency permits for the canal interceptor project. Mr. Zarko stated he did not apply for the permits and will be meeting with the DEP soon and will ask for the emergency permits as they get closer to the start date if April 2006.

Mr. Fazzalore asked Mr. Fedorchak when the Township would borrow the money for the canal interceptor project. Mr. Fedorchak stated the Township would borrow the money when the project starts in April 2006.

Mr. Fedorchak stated there are also issues with the Morrisville section of the sewer and the Township may need to pay for a portion of the sewer in Morrisville. Mr. Fazzalore asked if the Township would borrow money from Penn Vest for the sewer project. Mr. Zarko stated there are a lot of conditions the Township must meet to qualify to borrow from Penn Vest.

Mr. Zarko stated the Township's cost for the canal interceptor project is \$4,800,000. He stated he met with Penn Vest and they explained to him their program is primarily a loan program with

some grants, but the Township is not eligible for grants. He stated the loan is a 20-year term with a starting interest rate of 2.5% for the first five years then an interest rate of 3.435% for the remaining fifteen years of the loan. He stated the township must meet certain criteria to qualify for the loan such as rating the project for priority and this project is low on the priority list.

Mr. Fazzalore asked if the state has initiated any grant programs for sewer repairs. Mr. Zarko stated there is a program called Growing Greener but the program likes to tie into work for new development.

Mr. Santarsiero asked if there is any downside to applying for a loan with Penn Vest despite the low priority this project is given. Mr. Zarko stated there is an application cost of approximately \$3,000 and the deadline for the application is December 1, 2005 with a condition the project has been started, which this project has not.

Mr. Hoffmeister stated he has a letter from the DEP stating this project has no significant rating in public health impact or environmental impact at this time.

Mr. Santarsiero asked if the Township should look at private funding. Mr. Zarko replied yes. Mr. Fazzalore asked what is the rate on the golf course loan. Mr. Fedorchak stated the rate is 4%. Mr. Zarko stated the project would continue to move forward.

Mr. Fazzalore asked what would happen in Phase Phase II and I. Mr. Zarko stated Phase I is replacement and Phase II is relining. Mr. Fedorchak stated the Township must pass a resolution that whatever money is spent on this project now could be put into the bond.

Mr. Fazzalore asked how would the Township obtain Yardley Borough's share of the money for the project. Mr. Zarko stated his firm has made a number of presentations and has been updating the Borough as to their financial responsibility

Mr. Fazzalore asked how far would the replacement extend. Mr. Zarko stated 8000 feet for the interceptor and near Calhoun Street would be replaced.

Mr. Zarko stated that he asked Morrisville for a five-year capital plan and Morrisville submitted \$1,800,000 as the Township's share of the project.

Mr. Fedorchak asked Mr. Zarko if he anticipates any other sewer projects in the near future so he could come up with a total cost for sewer projects for the bond. Mr. Zarko stated sections of the Township sewer that unload into other municipalities should to be looked at for future improvements.

Mr. Fedorchak stated that Longmeadow/Derbyshire needs replacement because of the INI (infiltration inflow). Mr. Zarko agreed with Mr. Fedorchak because it flows to Falls Township, which subsequently flows to Philadelphia. Mr. Fedorchak stated he is concerned about the INI problem and asked what threshold does the Township need to meet to okay. He asked how much

does the infiltration need to be reduced. Mr. Zarko stated the INI should be 1.5 on an average basis, which is a lower standard than standards of Bucks County and the DEP.

Mr. Fedorchak asked if the infiltration would have to be corrected eventually and noted it could cost hundreds of thousands of dollars. Mr. Zarko stated the infiltration problem would have to be corrected eventually in Falls Township.

Mr. Santarsiero asked how soon could the canal interceptor project be completed. Mr. Zarko stated the project could be completed by late summer 2006. Mr. Santarsiero asked how soon could the proposal be completed. Mr. Fedorchak stated the sewer projects total approximately \$6,000,000 for two projects.

Mr. Stainthorpe joined the meeting.

Mr. Hoffmeister stated the canal interceptor project would cost from \$6,250,000 to \$6,500,000 including upgrading a portion of the Morrisville line.

Mr. Fazzalore stated he had a question about the \$112,000 expenditure for repair and maintenance last year, which drops to \$60,000 in 2006. Mr. Hoffmeister stated the Township was reimbursed for prior year operations.

Mr. Fazzalore stated to Mr. Fedorchak the he needs to decide the amount of money the Township should borrow for the Board's approval and where the debt service will go. Mr. Fedorchak stated the debt service would go to the Sewer Department. He asked Mr. Zarko to put together an estimate for remediation of the INI problem.

Mr. Hoffmeister stated he had a meeting with Bucks County Water recently. Bucks County Water advised him the Township had more flow in the Township than billed for which is not the Township's water. Bucks County Water said they are looking into the problem and will install a meter near Bridle Estates (North shore Line).

Mr. Fazzalore stated it is always a possibility the Township could sell the sewer system.

Mr. Zarko excused himself from the meeting.

PARK & RECREATION DEPARTMENT

Ms. Donna Linney was present at the meeting and distributed an updated Park & Recreation budget to the Board.

Mr. Stainthorpe stated the budget shows the millage has not changed from 2003 to 2005. Ms. Linney stated that is correct, Park & Recreation has not had any increase.

Mr. Fedorchak referred to the revenues section of the budget and noted the fees are the same as last year. Mr. Stainthorpe asked what is the difference on the Vargo farm (Memorial Park) and asked if there are any other local grants available to Park & Recreation. Ms. Linney stated she does not know of any grants available at this time but will apply if any grants come available. Mr. Fedorchak stated Park & Recreation has not placed any capital projects in the budget because it is hard to get grant money.

Mr. Stainthorpe noted expenditures for personnel increased by 33% and asked if Park & Recreation is hiring someone. Ms. Linney stated they are planning to hire someone because the Park & Recreation Department's work has increased considerably. Mr. Santarsiero asked what is going on at the pool that requires an additional person. Ms. Linney stated Park & Recreation just took over maintenance of the pool. Mr. Stainthorpe asked what did the pool do before. Ms. Linney stated the Township outsourced the maintenance work. Mr. Stainthorpe stated the Township should look to possibly outsource the pool again as well as mowing some of the Township's properties. Mr. Santarsiero stated he sees a problem with outsourcing mowing noting sometimes landscapers are not consistent.

Ms. Linney stated Park & Recreation has seen a 65% increase in mowing responsibility in the last five years including Memorial Park and the rear of Macclesfield.

Mr. Fazzalore asked if any increase in membership and guest fees is anticipated in 2006. Ms. Linney replied no. Mr. Santarsiero stated the pools are aging and may need capital improvements soon. Ms. Linney stated a report was done on the pools, which stated the pools are in good condition except for a gutter problem, which could be addressed with a new liner.

Mr. Stainthorpe stated that diesel and fuel should be adjusted. Mr. Fedorchak stated he would make the changes. Mr. Stainthorpe asked what does general repairs and maintenance cover and why is the budgeted number half in 2006. Ms. Linney stated a large portion of the bike path resurfacing was in the 2005 budget. Mr. Stainthorpe stated the Board agreed to finish a portion of the bike path resurfacing at Macclesfield in 2006 and asked if that was put in the 2006 budget. Mr. Fedorchak stated he put that in the Macclesfield budget.

Mr. Stainthorpe asked for an update on the lights at Macclesfield. Ms. Linney stated the cost to install the lights is in the budget for \$160,000. Mr. Fazzalore asked if the fees for the sports teams have been increased. Ms. Linney replied no. Mr. Fedorchak stated bidding out the lights for Macclesfield should be discussed at the next Board of Supervisors meeting. The Board and Ms. Linney discussed the neighbors concerns about the additional lights.

Mr. Stainthorpe asked for an explanation of what miscellaneous sales are at the pool. Ms. Linney stated \$30,000 is income from guest fees and \$10,000 is income from lessons. Mr. Stainthorpe stated expenses show a lower budget for personnel services. Ms. Linney stated she would talk with Brad Sharp, the pool manager about reducing that budget item.

Ms. Linney excused herself from the meeting.

The next budget meeting is scheduled for Monday, November 14th at 4:15 p.m.

There being no further business, the meeting was adjourned at 5:20 p.m.

