

TOWNSHIP OF LOWER MAKEFIELD  
BOARD OF SUPERVISORS  
MINUTES – MAY 1, 2013

The regular meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on May 1, 2013. Chairman Stainthorpe called the meeting to order at 7:30 p.m.

Those present:

Board of Supervisors:           Pete Stainthorpe, Chairman  
  Dobby Dobson, Vice Chairman  
  Dan McLaughlin, Secretary  
  Kristin Tyler, Treasurer  
  Jeff Benedetto, Supervisor

Others:                               Terry Fedorchak, Township Manager  
  Jeffrey Garton, Township Solicitor  
  Mark Eisold, Township Engineer  
  Kenneth Coluzzi, Chief of Police

**PUBLIC COMMENT**

A gentleman representing the Zubaida Foundation was present and reviewed the principals of Zubaida Foundation. He stated their emphasis is on the community. He stated on April 7 they had a groundbreaking ceremony, and he thanked the representatives of the Township who attended. Mr. Stainthorpe stated on behalf of the Board of Supervisors, it was an honor to be in attendance; and they are happy to have them as part of the community.

Mr. Garton stated the Board of Supervisors met in Executive Session for approximately thirty minutes prior to the Public Meeting to discuss the status of the Police negotiations for the new Contract. He stated the current Contract expires at the end of this calendar year.

Mr. Mark Moffa, 1531 Derbyshire Road, thanked the Board for the new program which was started this year delivering mulch. He stated he hopes that this program will continue.

**APPROVAL OF MINUTES**

Mr. McLaughlin moved, Mr. Dobson seconded and it was unanimously carried to approve the Minutes of April 17, 2013 as written.

**DISCUSSION OF REFINANCING TOWNSHIP DEBT AND ADDING NEW MONEY AND MOTION TO BEGIN THE RATING PROCESS**

Mr. Stainthorpe stated interest rates are at historic lows, and this is the third time that the Township has considered refinancing some of their Bonds.

Mr. Gordon Walker, Public Financial Management Inc., was present and provided a Summary Financing Analysis. He agreed that interest rates are low. He stated what is being considered is not only a refinancing but also adding new money. He stated Page 1 of the Analysis shows the Golf Course Debt. He stated Column 2 shows what is currently with the Delaware Valley Regional Finance Authority in a variable rate loan. He stated the rate is at 1% now, and they did use a 1 ½% projection although it is not known for sure what it would be if it were kept at a variable rate. He stated the historical average is approximately 3%. He stated it shows that starting in 2022, there are large amounts starting to pay off the principal.

Mr. Walker stated Column 2 is something they did in 2005 when they converted the early principal to a fixed rate via a Bond Issue. He stated because the 2005 Issue had a five year call, they were able to refinance the 2005 issue to a lower rate in 2010. He stated Column 3 is fixed and Column 2 is variable. He stated if you put the two of them together, it is the current Golf Course Debt Service.

Mr. Walker noted Page 2 and stated the proposal is to refinance out of Del Valley into a fixed rate Bond Issue and add some new money which would produce \$5 million. He stated the idea is to keep the issue under \$10 million which would be bank qualified; and they would get better interest rates and most importantly, they would get a five year call feature as opposed to a ten year call feature which has benefited the Township and others many times. He stated the Township would therefore be refinancing about half of what they have. Adding the new money would still not put it over the \$10 million threshold. He stated banks will buy the Bonds in any calendar year if the issuance is \$10 million or less.

Mr. Walker noted Page 3 which shows the outstanding principal amounts in Column 2 on the 2002 Golf Course Debt. He stated the maturities from 2022 to 2027 are the ones they would take out and refinance in the Bond Issue at rates in the mid to high twos.

Mr. Walker noted Page 1 and stated with regard to the current debt service, it has a major drop off of approximately \$1 million in 2022. He stated by adding new money, they will still provide a good drop off which can be seen on the last page of the Analysis, although it will not be as much. Mr. Walker stated the final term of the current debt service is 2032.

Mr. Walker noted the last page of the Analysis. He stated with this financing plan, they are not extending the debt, and they will still keep all the debt to be paid off by 2032 which will play very well with the rating agencies. He stated they will still have a fairly significant reduction in debt service in 2022 by about \$500,000.

Mr. Walker stated the Township has a very fine credit rating at AA1. He stated the next step up is AAA, and there are only a few Townships that have an AAA rating. He stated he does not know of any Townships in Bucks County that has an AAA rating. He stated the County does have an AAA rating.

Mr. Walker stated the debt service on the new financing of \$9.3 million is shown in Column 4. He stated the Township could at some point convert all of the Golf Course debt to a fixed rate if they wanted to. He stated they are callable at any time without penalty. Mr. Walker stated in five years, it will become a fourteen year Bond Issue.

Mr. Walker stated it will take approximately two and a half to three months to complete the Bond Issue.

Mr. Stainthorpe stated the Township is actually in better shape than they were the last time they did a refinancing. Mr. Walker stated it may be that the Township is now an AAA. He stated they may want to have Moody's come down and tour the Township. Mr. Stainthorpe asked that Mr. Walker and Mr. Fedorchak meet about this and decide if this is something they want to do. Mr. Fedorchak stated they have ended 2012 on a cash basis of approximately \$800,000 or more over where they were at the end of 2011. Mr. Walker stated the biggest single thing they look at is the fund balance because this is something the Township can control; and if there are problems in the future, this is something the Township can fall back on. Mr. Fedorchak stated the fund balances in relation to total expenses across all nineteen funds is at approximately 29% to 30%, and Mr. Walker stated this is terrific.

Mr. Dobson moved and Ms. Tyler seconded to have Mr. Fedorchak, Mr. Garton, and Mr. Walker begin the rating process.

Mr. Benedetto stated they are discussing refinancing the Series A and B 2002 Notes, and Mr. Walker stated it would only be about half. Mr. Benedetto stated they are also adding new money. He stated the amount of money they have borrowed for the Golf Course is approximately \$16.5 million, and Mr. Walker stated this is the remaining debt service if the variable stays at 1 ½%. Mr. Benedetto stated if they approve this, it would result in total Golf Course debt service of \$24 million so they are adding over \$8 million to the debt service; and Mr. Walker stated this is for the payments over time. He stated most of

the new money is for the Golf Course. Mr. Benedetto stated they are already paying \$16.5 million for the Golf Course which he feels is an “outrageous” sum of money, and now they are proposing to pay almost \$25 million in debt for a Golf Course and he feels this is beyond fiscally irresponsible.

Mr. Walker stated costs would go up if they were to borrow the money at 3% and the variable stayed at 1 ½%, but it would save the Township money if the variable were to go up to 4%.

Mr. Benedetto stated this is the fourth time Mr. Walker has been present since 2010. He stated they refinanced the 2010 debt twice and refinanced in 2011. He stated these were just refinancings, and they were not adding new money. He stated tonight they are taking on additional debt and refinancing. He asked if the ones they are considering refinancing – 2002 A and B – the ones which they are currently paying interest only, and Mr. Walker agreed. Mr. Benedetto stated in 2011, Mr. Walker provided four different options – taking all the savings up front, modified up front, level over time, and shortening up the debt by paying off ahead of time. Mr. Benedetto asked Mr. Walker if he is presenting four different options this time. Mr. Walker stated what dictates the maturities is that the Manager had indicated that they would like to keep the Debt Service at a certain point. Mr. Walker noted Page 4, Column 5 adding they are trying to keep the Debt Service through 2021 in the high \$800,000 number, and also not extend the debt beyond 2032. He stated considering these constraints, the computer dictates where the principal falls on the proposed Bond Issue. He stated they could discuss this further and consider paying less in the budget year and extend the issue.

Mr. Benedetto stated he would like to know the total savings by refinancing, and Mr. Walker stated it is difficult to determine this since they are going from a variable to a fixed rate. He stated the time they did the refinancing Mr. Benedetto referred to where there were four options, it was going from a fixed rate to a fixed rate so there was a defined savings. He stated in this case they are comparing a fixed rate today with an unknown rate that you would have if you do not do it. He stated currently the “unknown” is 1 ½%, and the Township would actually lose money if the rate were to stay at 1 ½%; however, it probably will not stay at 1 ½%. He stated with a fixed rate, they are generating certainty.

Mr. Fedorchak stated the 2002 issue has been variable since then and they have seen that variable rate exceed 3 ½% in that period of time. He stated there are now historically low interest rates, and they feel now is the time to lock in those low interest rates. He stated there is the possibility of getting 2.6% to 2.7% for the life of half of the 2002 piece. He stated they will keep the other half variable. He stated they feel this is the prudent way to approach that \$8 million outstanding at this time. Mr. Fedorchak stated the idea was to structure this in such a way that they could guarantee that there would not be the need for any tax increase over the life of the issue because of what they are doing and

adding the new money. He stated they want to keep the first five to six year payments in the range of \$75,000 to \$100,000 which they can easily absorb within either the Golf Budget and/or Debt Service in general. He stated they would then take advantage of the \$1 million drop off in 2022 so they would be “back ending” the issue. He stated they are taking half of that and still leaving another half million for future Boards and for future issues.

Mr. McLaughlin asked what the proceeds will be used for. Mr. Stainthorpe stated the additional money is because they do not know what will happen with the Dalgewicz matter. Mr. McLaughlin stated this is therefore in preparation for a negative outcome. Mr. Stainthorpe stated the matter has been argued before the Supreme Court since December, 2011; and they still do not have a decision back. He stated since they do not know what it will be, they felt that they should take advantage of the historically low interest rates and structure this so that the actual Debt Service on a yearly basis does not change a great deal. He stated in this way they will be prepared in the eventuality that they have to pay the Dalgewicz’s \$3 to \$4 million dollars.

Mr. McLaughlin asked what would happen to the money if the Township were to get a positive outcome. Mr. Fedorchak stated he feels they could sit down with the Dalgewicz family and try to negotiate a settlement. Mr. Garton stated a positive outcome would be a Remand back to the Court of Common Pleas for another trial with certain constraints. Mr. Garton stated the adverse impact would be that the Township owes a certain amount of money and the interest on that amount since the day of the original condemnation. Mr. Garton stated the Commonwealth Court had already found against the Township. Mr. Garton stated he feels the Township is trying to be in a position that they can deal with an adverse ruling but do it now when the interest rates are reasonable as opposed to a time when they may be unreasonable. Mr. Garton stated the Township may also decide to enter into negotiations with the Dalgewicz family now.

Mr. Benedetto asked if anything will change as to how they are paying off the principal since it appears that if they proceed with the refinancing, they are still just paying off the interest. Mr. Walker stated they would be paying off the principal in approximately the same amounts that they are paying now. Mr. Benedetto stated this is nothing. Mr. Walker noted the Schedules which were included. Mr. Benedetto stated the 2002 Debt A and B, principal will be payable annually beginning 2022, and Mr. Walker agreed. Mr. Benedetto asked if they refinance the 2002 debt, will they pay principal on that debt; and Mr. Walker stated they will pay it more or less like they are now as shown on Page 3.

Mr. Benedetto stated the 2005 Debt that is now 2010 Debt is entirely different than the 2002 Series A and 2002 Series B according to the Township’s financial statements. Mr. Benedetto stated the 2002 Debt is all interest until 2022, and Mr. Walker agreed. Mr. Benedetto asked Mr. Walker if they are changing this in any way, and Mr. Walker noted Page 3 which shows what the Township has now, and they would pay off the first six maturities, 2022, 2023, 2024, 2025, 2026, and 2027 and roll them into the fixed rate

Bonds; and therefore the interest column in Column 4 goes down because now there is less outstanding with DelVal; and this shows up on Page 4. Mr. Benedetto stated if it goes to 3%, the Township would basically break even. Mr. Walker stated it is probably going to be closer to 2.3% or 2.4%. He noted Page 4 – Bond Issue Debt Service, Column 4 which is refunding and new money, and the principal starts getting paid back in 2022; and in that large figure is principal for the new money and principal for what was with DelVal.

Mr. Benedetto stated the Township has an AA1 rating. He stated Mr. Walker laid out four options in 2011, and the Township took the option which was to take the savings over three years up front. He stated this is the fourth time the Township is looking to refinance; and of the three other times they did it, twice they took the savings up front. Mr. Benedetto stated Moody's is going to look at those, and he does not feel Moody's will feel taking the money up front looks financially responsible in comparison to taking option four or three. Mr. Walker stated they would rather see the Township shorten the issue and get out of debt quicker. Mr. Benedetto stated the Township is taking on additional debt, and are "kicking the can down the road." Mr. Walker stated Moody's will like that the Township is reducing their variable rate exposure since they do not like risk, and they are also borrowing money but still not extending the term of the debt. He stated they will also like the Township's fund balance.

Mr. Benedetto stated they are taking on additional debt, and Mr. Walker stated the Township will need this; however, Mr. Benedetto stated this is only a possibility. Mr. Dobson stated they are preparing for a potential bad outcome. He stated the total Debt Service basically stays close to what it is today through 2021, increases slightly, and then drops. Mr. Walker stated this was the goal of the proposal.

Mr. Fedorchak stated Moody's will also look favorably when they look at the total Debt Service payment. He stated they kept this very level for the first eight years, and then starting in 2022, even with adding the new money, the annual Debt Service drops \$500,000. He stated when you get to 2033, the Township is debt free, and this does not change. Mr. Fedorchak stated he feels that it is extraordinary to say that a community will be debt free by 2033.

Mr. Dobson stated in this way the Township will not be caught trying to come up with money for a settlement in the future, and the Golf Course is still funding itself and has not taken any taxpayer money. Mr. Walker stated Moody's will like this. Mr. Benedetto stated the taxpayers are paying a debt of \$16.5 million on the Golf Course; however, other Supervisors disagreed, and Mr. Dobson stated the Golf Course is paying for itself and paying their own Debt Service. Mr. Benedetto stated the Township borrowed money to pay for the Golf Course. He stated they incurred a debt to have a Municipal Golf Course of \$16.5 million. He stated the Township is paying interest on it every year and paying principal on it every year. He stated they are incurring additional debt of \$5 million and will be paying a total of \$24.7 million.

Mr. Benedetto stated people ask him how much the Golf Course cost them, and he tells them \$16.5 million, but now he will tell them \$24.7 million. He stated the Board does not know what is going to happen with the Court Case and he does not feel this make sense since they are borrowing \$5 million with the thought that they may lose in the Supreme Court. He asked what would happen with this money if the Township were to win.

Mr. McLaughlin stated a win for the Township does not mean that the litigation is over. He stated a win from the Supreme Court would be a Remand back to the District Court where they lost before. He stated the Township could enter into negotiations with the other party to avoid going through a Court proceeding again.

Mr. Benedetto stated he would still like to know what they will do with the additional \$5 million if they do not need it for the Court Case since he does not feel it will all be held up in litigation. Ms. Tyler stated even if they win on Appeal, the Township still owes more than \$3 million. She stated the only “win” the Township could achieve would be not being charged the statutory interest on the judgment from the date of the condemnation. She stated they are still facing a debt of \$3 million unless they can negotiate less with the other party.

Mr. Garton stated the Jury rendered a verdict awarding the Dalgewicz family a certain amount. He stated for condemnation proceedings you have to pay interest from the date that the property is made available to the Township. He stated the interest to be paid is prime plus. He stated the Township got “hit” for a substantial sum of money and they Appealed this but the Court sustained the Jury’s verdict. He stated the Township then Appealed this to the Supreme Court. He stated the Supreme Court will not rule that the Township wins; but they could agree with the Township that some of the evidence should not have been admitted, and it could be tried again before a Jury. He stated they would then get another verdict, but the interest will always run from the date that possession was given to the Township which now goes back approximately ten years.

Mr. Benedetto stated the Dalgewicz family did receive money, but felt they did not receive fair market value. Mr. Garton stated the Township paid them the amount that the Board of View awarded which was approximately \$3 million. Mr. Garton stated the Dalgewicz family then took an Appeal from the Board of View Hearing; and this was tried before a Jury, and the Jury awarded them over \$6 million. He stated the interest on that money goes back and is earned from the date that the property was the Township’s property. He stated interest is accruing at approximately \$10,000 a month if the Township is not successful before the Supreme Court. Mr. Garton stated it has been at the Supreme Court for over a year, and they have not been able to render an opinion almost eighteen months after it was argued.

Mr. Benedetto stated a Jury could agree that the Township did pay fair market value; and Mr. Garton stated while this is possible, of all the condemnation cases that have been tried before a Jury in Bucks County that he is aware of Juries invariably are not favorably disposed to Municipalities who exercise the right of eminent domain and take a private person's property.

Mr. Benedetto stated all of this is speculation. He stated they can also look at the Golf Course that is generating income and has a surplus of over \$500,000. He stated the Golf Course is self-sustaining, and he feels this is an additional cost that they can bear. He stated he does not feel this proposal should be done now since the Case has been sitting in Court for eighteen months. He also questions why the 2002 Issue is being put in since they are not changing anything with paying off the principal with that Issue. He stated they are saying it probably will break even, and if the interest rates stay at 1%, they could potentially lose money by locking in a rate. Mr. Walker stated if it goes to 3%, it would cost the Township money.

Mr. McLaughlin asked Mr. Walker's outlook on interest rates. Mr. Walker stated he feels interest rates will stay low for a year or two, but he does not know where they will go after that. He stated the economy in Europe is definitely slowing down, and it appears that our Country's economy is slowing down as well. Mr. Walker stated if the National Debt goes like some anticipate, the Country could go like Italy or Spain where they are paying 5% on their 10 year Treasury, while our County is paying 1.4%. Mr. McLaughlin stated it is a gamble, but they feel it is in the Township's best interest to lock in at the low twos rather than be exposed to interest rates increasing. Mr. Walker stated there will still be half in the variable rate as the Township is only converting half under this plan. Mr. McLaughlin stated he would prefer having a guaranteed 2.4%.

Mr. Benedetto stated with a five year call, they could bring this back up and have the option to refinance; and Mr. Walker agreed.

Mr. Benedetto asked if Moody's looks more favorably on fixed rates, and Mr. Walker stated they will look at many things. He stated having less variable and more fixed is seen as a positive.

Mr. Zachary Rubin, 1661 Covington Road, stated currently the principal on the fixed rate is \$8.5 million; and Mr. Walker stated that is the variable 2002 Golf Course loan. He stated the fixed portion now on the 2010 Golf Course was \$5.310 million at the beginning of the year. Mr. Rubin stated therefore the principal outstanding on the Golf Course is \$13.900 million. Mr. Rubin stated the original loan for the Golf Course was approximately \$16 million in 2002. Mr. Rubin stated eleven years later they have paid down approximately \$2.1 million of the principal.

Mr. Rubin stated Mr. Fedorchak indicated that by 2032, the Township would be debt free; and he asked what was the approximate amount of the loans other than the Golf Course. Mr. Walker stated beginning of 2013 including the Golf Course principal was \$32,674 million. It was noted that this also includes the sewer debt.

Mr. Walker stated similar to a mortgage or typical borrowing, the lowest principal pay backs are in the early years.

Mr. Rubin stated when the Dalgewicz Farm was condemned, the family that owned it was offered \$3.6 million because this is what the Bucks County Board of View indicated was fair market price. Mr. Rubin asked if the Township paid this amount, and Mr. Fedorchak stated they did. Mr. Rubin stated they Appealed this and asked for \$6 million. Mr. Rubin stated they owe them the difference and the interest which has been compounded. Mr. Rubin stated if the Township were to have paid the original suit, they would not be in this position borrowing an additional \$5 million.

Mr. Garton stated following the Board of View Hearing, the Township paid what the Board of View awarded. He stated there was no number to which the Dalgewicz family would agree to that could be settled so there was no finite number until the Jury rendered its verdict in approximately 2008 or 2009; and that is when the new number was established since this was what the Jury awarded. Mr. Garton stated taking the new number less the amount that the Township paid became the additional principal that was owed, and you take that principal back to when the condemnation required them to pay interest to get what is currently due today.

Mr. Rubin stated the variable amount of the Golf Course loan which they are not refinancing now is basically interest only up until 2022; and Mr. Walker stated for the variable piece, they are paying interest only until 2022 when they start paying principal. Mr. Rubin suggested that they do it all at a fixed rate and pay down the principal since the interest rates are 2.4% to 2.5% and eventually the interest rates will not be this low. He stated he feels it should all be refinanced now, and they can start paying the principal down now at this fixed rate. Mr. Stainthorpe stated they wanted to keep it under \$10 million.

Mr. Rubin stated he is not against getting the extra \$5 million if this is the Township's liability. He asked what would be the difference in the interest rate going to an all-fixed rate if the total refinancing package went over \$10 million. Mr. Walker stated it would be .3 to .4 additional, but the more important issue is the call feature which would be for ten years rather than five. He added that at ten years, there would not be much principal left so they would not be able to save as much. Mr. Rubin stated he still feels they should consider refinancing everything which would make the interest rate 2.7% to 2.8%.

Mr. Stainthorpe stated while the vote tonight is to proceed, as they proceed they could provide other options. Mr. Garton stated nothing is locked in until the Board adopts a Bond Ordinance.

Mr. Mark Moffa stated they are trying to keep the annual payments smaller in the short term so that they do not have to raise taxes; however, he feels that the end result is that the taxpayers are paying more on this debt over time over the course of the nineteen years. Mr. Stainthorpe stated this Bond Issue will be financed from revenue from the Golf Course and not by taxes. Mr. Moffa stated they are paying more on the Bond Issue because they are paying more interest since any time you back end a loan, you are paying less on it now and more interest over time. Mr. Walker stated they have structured this so that the impact of the new money on the Golf Course Budget is not that great.

Mr. Benedetto stated this is true until 2022 when it goes from \$770,000 to \$1.4 million and in 2032 it will be over \$2 million. Mr. Benedetto stated he does not feel the Golf Course is going to be able to pay a debt of \$1.3 million. Mr. Moffa stated he feels they should have an option to allow for less debt over the course of nineteen years with a larger payment up front although this may not be Politically popular. Mr. McLaughlin stated they need to remember that this is being financed by the golfers using the Golf Course. Mr. Moffa disagreed and stated the Bond Issue is paid for by the tax payers. Mr. McLaughlin stated this is Golf Course debt paid for entirely by the proceeds generated by the Golf Course which are the golfers using the Golf Course.

Mr. Moffa stated he is questioning the parameters that were laid out for the bond officer by Mr. Fedorchak. He feels there could be some other options presented to the Board for consideration. Mr. McLaughlin stated he still feels it should be made clear that this is self-financing debt from the proceeds of the Golf Course. Mr. Benedetto stated they could present an option where it is level so that it does not take a \$500,000 leap in 2022. Mr. Walker stated they could avoid that jump in 2022 by either paying more Debt Service on the Golf Course now and/or extend it out another five to ten years. He stated the first option is expensive for the Budget and the second option would cost more money.

Motion to begin the rating process carried with Mr. Benedetto opposed.

#### AWARD OF CONTRACT FOR 2013 STREETS PAVING PROGRAM

Mr. Eisold stated they opened Bids for the 2013 Streets Paving Program on March 15, and they received seven Bids. He stated the low Bid was quite favorable; and while the estimate had been based on last years' prices in the range of \$720,000 to \$730,000, the low Bid came in just under \$620,000. He stated the low Bidder was General Asphalt Paving in the amount of \$619,445.70. Mr. Eisold stated in addition to the Base Bid,

they also advertised a number of Bid Alternates. He stated he and Mr. Fedorchak have discussed this and would recommend Alternate #9 which is stormwater improvements at Mt. Eyre Road in the amount of \$145,921.

Mr. McLaughlin moved and Ms. Tyler seconded to Award the Contract for the 2013 Streets Paving Program to General Asphalt Paving.

Mr. McLaughlin asked how much was Budgeted, and Mr. Fedorchak stated they set aside \$700,000 in Liquid Fuels.

Mr. Rubin stated the Township sold Elm Lowne and that money went into street paving. He asked if that was in the 2012 or the 2013 Budget; and Mr. Fedorchak stated he felt it was in 2011, but he would have to check into this.

Motion carried unanimously.

#### AWARD CONTRACT FOR BASEBALL FIELDS

Mr. Eisold stated on March 15 they opened Bids for the Samost Tract ball fields, and received a total of seven Bids. He stated there were also a number of Alternates proposed. He stated the low bidder was Ply Mar Construction Inc. in the amount of \$689,673. Mr. Eisold stated they have worked with Ply Mar before, and they are a responsible Bidder for this project. Mr. Eisold stated the number was a little high, and there were some items they noticed in the Bid that could result in savings. He stated they discussed this with the Park & Recreation Board who agreed with the suggestions where there could be savings. He stated the back stop on one field was six feet higher than the other, and the cost was double the price; and they agreed they could use the slightly shorter backstop and save \$23,000. He stated this would be taken into account after the fact, and the Base Bid would be awarded for \$689,673. He stated there were some other minor changes they saw in the Bid which could lower it a little bit further.

Mr. Eisold stated there were a number of Bid Alternates submitted and they discussed these with the Park & Rec Board and Mr. Fedorchak and they agreed to some minor Bid Alternates amounting to approximately \$25,000. He stated between the savings and the inclusion of the Bid Alternates, they anticipate the project will cost approximately \$660,000.

Mr. McLaughlin moved and Mr. Dobson seconded to Award the Contract to Ply Mar Construction Inc.

Mr. McLaughlin stated there was \$1 million for recreation from the Grant, and money has been spent for the tennis courts. Mr. Fedorchak stated in 2010 the Grant Application was put together and cost estimates were developed for the various components. He stated Mr. Majewski was the Township engineer at the time, and he did an excellent job coming up with his best guess as to what each of the Grant components would cost. Mr. Fedorchak stated in 2010 when this was done for this project there was only a Sketch Plan and no preliminary engineering had been done. Mr. Fedorchak stated the renovations to the tennis and basketball courts have been completed, and on the horizon is the inclusive playground. Mr. Fedorchak stated the original Application that was put together identified \$735,000 for the new ball fields and improvements to the existing Stoddard fields so they are keeping within that estimate. Mr. Fedorchak stated the improvements to the existing Stoddard fields will cost approximately \$25,000.

Mr. McLaughlin asked if they will be able to do something at the inclusive playground, and Mr. Fedorchak stated they will probably do something in the amount of \$100,000 to \$125,000. Mr. Fedorchak stated the Disabled Persons Committee and the Township staff has developed a Plan, and the total cost was approximately \$320,000 which was more than what the cost estimate was for that component of the Grant. He stated they are therefore considering only a Phase I of approximately \$100,000 to \$125,000. Mr. Fedorchak stated it may make sense to do the entire inclusive playground at one time, and he will be asking the Board to consider this when they get to that item.

Mr. Dobson stated he read in the paper that the Manager from Northampton Township felt that money from the Bucks County Open Space Bond could be used for recreation. Mr. Fedorchak stated you could not use Open Space money to build the ball fields, but the Open Space Committee has taken the position that they will keep an open mind for recreational type projects. Mr. Fedorchak stated the extension of a trail into a Park would possibly be eligible. He stated they are deferring certain elements of the ball field project including rain gardens as part of the detention facility, and he feels this could be eligible for a Grant under the Open Space Program. Mr. Dobson asked about an extension of the bike path, and Mr. Fedorchak stated this could be considered as well. Mr. Fedorchak stated another possibility could be the pervious surface.

Mr. Zachary Rubin stated he feels Open Space funds should be used to purchase more open space, and what is being discussed is space that is already open; and he does not feel this would be the correct use of Open Space funds. Mr. Rubin asked if the \$660,000 includes the remediation of the problem with the grading from left field to right field, and Mr. Eisold stated it does. Mr. Eisold stated originally it was designed at a little over 2% across the outfield, and that has been adjusted to a little less than 1 ½% which is less than 6' across the outfield. Mr. Rubin asked if Park & Recreation and PAA were in favor of this, and Mr. Eisold stated they were.

Motion carried unanimously.

## FINANCIAL REPORT

Mr. Fedorchak stated the 2012 Year End Report has been posted on the Township Website. He stated the General Fund will have a fund balance for the end of 2012 of approximately \$1.6 million which is \$300,000 more than what was originally forecast. He stated on the Expense side, they finished approximately \$145,000 less than what was Budgeted. On the Revenue side, they ended approximately \$244,000 more than what was forecast. Mr. Fedorchak stated the Transfer Tax, Local Service Tax, Building, Electrical, and Plumbing Permits, and the Cable TV Franchise Tax all came in higher than what was anticipated and more than was received in 2011. Mr. Fedorchak stated he expects that this trend will continue in 2013.

Mr. Fedorchak stated looking at the Fund Balances, cash position, over all nineteen Funds, they ended 2012 significantly better than where they ended in 2011 which is a positive and welcome sign.

Mr. McLaughlin thanked Mr. Fedorchak and all the Department Heads for what they have done.

Mr. Benedetto stated he understands they are within Safe Harbor. Mr. Fedorchak stated a few years back, the Township was around 8% to 9%, but at this point he feels they are at approximately 16%. He stated Safe Harbor is between 5% and 8%.

Mr. Fedorchak stated this is the Fund Balance after they made transfers to other agencies.

Mr. McLaughlin asked about the Audit, and Mr. Fedorchak stated they need to make one more field trip. He stated he has tentatively scheduled them to make a formal presentation the second meeting in June.

## APPROVE EXTENSION OF TIME TO DOGWOOD DRIVE AND JENNINGS TRACT

Mr. Garton stated both of these matters were discussed with the Planning Commission, and the Planning Commission recommended that the Extensions be granted.

Mr. McLaughlin moved, Mr. Dobson seconded and it was unanimously carried to grant an Extension to Dogwood Drive (a/k/a Harmony Lane) to July 15, 2013.

Mr. McLaughlin moved, Ms. Tyler seconded and it was unanimously carried to grant an Extension to Jennings Tract to July 31, 2013.

## SUPERVISORS REPORTS

Ms. Tyler stated the Board had authorized the Associate Member Program for the Pool, and thus far they have signed up twenty families through this Program. She noted that the maximum occupancy at the Pool is 3,200 people, and the maximum they had in 2011 was 1,500 through the gate, and the maximum in 2012 was 1,200; so they have been seeing a fairly significant decline. She stated the Park & Recreation Department is working hard and the Associate Memberships have been well received, and they are hoping for a positive financial result and a better community with more children and a better family environment.

## CANCEL BOARD OF SUPERVISORS MEETINGS OF JULY 3, 2013 AND AUGUST 7, 2013

Mr. Dobson moved, Mr. McLaughlin seconded and it was unanimously carried to cancel the Board of Supervisors meetings of July 3, 2013 and August 7, 2013.

There being no further business, Mr. McLaughlin moved, Mr. Dobson seconded and it was unanimously carried to adjourn the meeting at 9:00 p.m.

Respectfully Submitted,

Dan McLaughlin, Secretary