

TOWNSHIP OF LOWER MAKEFIELD
BOARD OF SUPERVISORS
MINUTES - NOVEMBER 17, 2021

The regular meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on November 17, 2021. Ms. Blundi called the meeting to order at 7:33 p.m. and called the Roll.

Those present:

Board of Supervisors: Suzanne Blundi, Chair
James McCartney, Vice Chair
John B. Lewis, Secretary
Frederic K. Weiss, Treasurer
Daniel Grenier, Supervisor

Others: Kurt Ferguson, Township Manager
David Truelove, Township Solicitor
Andrew Pockl, Township Engineer
Kenneth Coluzzi, Chief of Police
James Majewski, Director Planning & Zoning

POLICE COMMAND/SUPERVISOR PROMOTIONS AND NEW OFFICERS TO MEET THE BOARD OF SUPERVISORS AND COMMUNITY AS THEY ARE PRESENTED WITH THEIR NEW RANKS AND BADGES

Chief Coluzzi welcomed residents present and those watching at home including family and friends of the Officers. He thanked the Board of Supervisors who have shown their willingness to meet with all of the Officers regularly and be part of our Police Department as well as supporting the Department over the years to insure that we have the very best, progressive, professional Department that we can have to protect the citizens of the community. He introduced the Board of Supervisors, the Township solicitor, and the Township Manager to the community.

Chief Coluzzi stated one of his happiest duties is to watch the advancement of great Officers throughout the ranks of the Police Department as well as to bring on new Recruits to our ranks. He stated the Police uniform being worn by those present this evening is the symbol of our Township, our Country, and the World. He stated it is the Officers' responsibility to gain the trust and respect of the citizens in the community, and he hopes the new Recruits will have a long and rewarding career. Chief Coluzzi stated those being promoted and the Command Staff have proven to be successful in their careers. He stated they will lead by example and inspire every Officer under their command.

Chief Coluzzi stated it is impossible to do this job without the love and support of family and friends, and it is a tradition in Policing to have a family member present rank insignias to newly-promoted Officers and badges to newly-hired Officers.

Detective Sergeant Brian Omlor called on the following Officers and their families, and he described the education and experience of those Officers being presented with insignias and badges this evening: Officer Brendan Montemarano, Officer Jevin Downs, Officer Kevin Riley, Officer Colin McTamany (promoted to Corporal), Officer Brian Golder (promoted to Police Lieutenant), Officer Jason Braim (promoted to Captain) and Officer Robert Lewis (promoted to Deputy Chief).

COMMUNITY ANNOUNCEMENTS

Ms. Blundi stated during this portion of the Agenda residents and youth organizations may call in to make a special announcement or they may contact the Township to request a special announcement be added to the Agenda.

Ms. Blundi stated information about Park & Recreation in-person recreation opportunities can be found on the Township Website.

Ms. Blundi stated the Yardley/Makefield Lions Club is partnering with the Lower Makefield Police Department for a Holiday Toy Drive benefitting local children in need. New, unwrapped toys can be dropped off in the lobby of the Lower Makefield Township Police Department at 1100 Edgewood Road until November 30.

Ms. Blundi stated there is an All Things Yardley gift shop open on December 11 from 2 p.m. to 5 p.m. at the Yardley Community Center, the proceeds of which will benefit Lake Afton.

Ms. Blundi stated Mr. Richard Preston, member of the Trenton Mercer Airport Review Panel, would like to provide a brief update on the Airport and how residents can join in on a petition.

Mr. Preston stated they wanted to inform the Board and the public about planned construction activities at the Airport which will have a significant impact on our health and quality of life. He stated the Mercer County Managers publicly expressed their plans to aggressively pursue their

construction project associated with their Master Plan, and they are anticipating a "rubber-stamp approval" by the FAA for their Environmental Assessment which has significant shortfalls. Mr. Preston stated he is specifically concerned about them carrying out construction projects adjacent to area with known PFAS contaminants left at the Naval Air Warfare Center, and development of the Airport property continues without remediation or safety measures to protect the toxic spread of those chemicals, which can easily reach the Delaware River less than two miles away and effect the water supply for over 17 million people. Mr. Preston stated they want the FAA and the Airport to remediate the area so that the chemicals are controlled and do not pose a threat to our drinking water or wildlife.

Mr. Preston stated the second problem is that the aircraft emissions caused by the increased air traffic due to the multiple projects is not being considered in the Environmental Assessment. Despite a fivefold increase in terminal size, massive increases in parking capacity, major airfield changes, and a new air traffic control tower, the FAA accepted the following illogical premise presented at the Trenton Terminal Environment Assessment: "The proposed action" (meaning all these projects) "would not increase or change the number of passengers that would utilize the Airport in the future, and it would only change how they access the Airport. As a result operational emissions associated with aircraft emissions sources, parking, and traffic were not inventoried or evaluated as part of this EA." Mr. Preston asked why the Airport would spend in excess of \$200 million on an expansion project if they do not expect any change in the number of passengers, and he feels this is "obviously a falsehood" to avoid doing the Environmental Impact Studies that they need to do because there are significant air quality issues in the area to begin with; and increasing the air traffic by a factor of four would "put us over the edge for a lot of air pollution concerns."

Mr. Preston stated this is affecting all residents because the pollution from the aircraft emissions is widespread, and it transcends whether you like to use the Airport or not. He stated it is crucial that we get the FAA to mandate an Environmental Impact Study. Mr. Preston stated they are asking the Board and LMT residents to sign a petition that will go to our Federal elected officials, State elected officials, and agencies with potential interest or oversight. He stated the petition can be found on Change.org on the Petitions page for the Mercer County Airport. He stated the petition is called "Demand Environmental Impact Assessment for Trenton-Mercer Airport Expansion." Mr. Preston asked the Board to consider putting the petition on the Township Website. Ms. Blundi stated she would be in favor of putting the petition on the Township Website if the Board agrees, and interested residents could sign it.

Mr. McCartney moved and Mr. Lewis seconded to put the petition regarding the Trenton-Mercer Airport on the Township Website.

Mr. Lee Pedowicz, 247 Truman Way, stated he is in support of this 100% and he feels that something should be done because there "is a plume of pollution." He asked how they could say they would have the same number of passengers with four times the number of flights. He stated he feels that the Senators and higher-up officials in the Federal Government should be approached.

Motion carried unanimously.

APPROVAL OF MINUTES

Dr. Weiss moved, Mr. McCartney seconded and it was unanimously carried to approve the Minutes of November 3, 2021 as written.

TREASURER'S REPORT

AQ.Grove October Interfund Transfers

Dr. Weiss moved, Mr. McCartney seconded and it was unanimously carried to approve the October Interfund Transfers in the amount of \$1,543,447.40 as attached to the Minutes.

Approval of Warrant Lists from November 1, 2021 and November 15, 2021

Dr. Weiss moved, Mr. McCartney seconded and it was unanimously carried to approve the Warrant Lists from November 1, 2021 and November 15, 2021 in the amount of \$2,092,581.70 as attached to the Minutes.

COMCAST FRANCHISE PRESENTATION AND APPROVAL TO ADVERTISE THE FRANCHISE AGREEMENT ORDINANCE

Mr. Mike Roberts, Cohen Law Group, was present. Mr. Ferguson stated Mr. Cohen will provide an overview and address some questions that were raised. Mr. Ferguson stated the next course of action would be to advertise the Ordinance for consideration of approval if the Board is so inclined.

Mr. Roberts stated his firm served as special counsel for the Township in this negotiation with Comcast as well as with the on-going Verizon negotiations. Mr. Roberts stated with regard to Municipal regulation of cable operators and Municipal Cable Franchising, the basis of that authority comes from the Federal Cable Act of 1984. He stated local Governments are considered to be landlords of the public rights-of-way, and they are entitled to set standards for cable operators' occupation of those rights-of-way as well as to obtain a fair return for the use of that public property.

Mr. Roberts stated Comcast has an expired Cable Franchise Agreement, and the Cable Act establishes two processes under which a Municipality can renew a Cable Franchise which are an informal and a formal process. He stated the formal process is very rarely utilized and is reserved for instances where a Cable Franchise negotiation is particularly contentious. He stated the informal process is utilized in about 99% of Cable Franchise negotiations, and that is the process that was utilized in the Comcast negotiations. He stated the process was started with a draft that his firm prepared which was provided to Comcast, and there were negotiations with Comcast representatives.

Mr. Roberts stated the Cable Act does require local Governments to review a cable operators past performance and ascertain future cable-related needs. He stated they performed a Franchise Fee Audit of Comcast on behalf of the Township, and the Township also performed a PEG Needs Assessment to determine what Capital needs were required for the Township's educational and Governmental channels. Mr. Roberts stated there have been some changes in Federal law since the Township's last Comcast Agreement, most notably the 621 Order issued by the FCC a few years ago. He stated that Order stated that the value of in-kind services, which is any service provided by Comcast outside of cable service to subscribers and the Franchise Fee paid to the Township, can be off-set against the Cable Franchise Fee if that Franchise Fee is set at the maximum level which is 5% under Federal law; and that is what the Township has set its Franchise Fee at. Mr. Roberts stated this will effect services to community facilities. Mr. Roberts stated there was an Appeal to the Order with the result being the value of the in-kind services is to be a marginal cost of providing such services to the Township by the Cable operator.

Mr. Roberts stated their focus with the negotiations was to retain the existing rights that the Township established in its last Franchise negotiation, and they found that the Cable operators have grown significantly more aggressive in their negotiations; and retention of the existing rights which are in an expiring

Agreement has become a major priority as well as strengthening any provisions of the Agreement moving forward. Mr. Roberts stated they also had to address changes in Federal law including the 621 Order as it relates to the Services to Community Facilities section of the Agreement.

Mr. Roberts stated Comcast has proposed a ten-year term for the Agreement, which is a standard term seen in Franchise renewal Agreements particularly with Comcast. The 5% Franchise Fee has been retained, but the calculation of the Fee has been expanded. He stated 5% is the maximum that a Municipality is permitted to charge, but a big part of the Franchise negotiation is determining what that 5% will be taken from. He stated a Municipality is entitled to take 5% of the Cable operators gross revenues, but the gross revenues term has to be defined in the Agreement. Mr. Roberts stated in past Township Agreements there were eight enumerated revenue sources included and a few revenue sources were excluded. In the renewal Agreement there are twenty-five enumerated revenue sources and some of the previously-excluded revenue sources have been included. Mr. Roberts stated assuming that Comcast does not experience a major dip in subscriber accounts, the Township should see an increase in its Franchise Fee revenues.

Mr. Roberts stated from a PEG perspective, the Agreement requires Comcast to maintain the Township's existing PEG channels so there is an educational channel as well as a Governmental channel. He stated part of the PEG (Public Educational Governmental Channels) aspect of the Agreement is PEG support as well, and Cable operators are required to provide Capital support for public educational and Governmental channels for Municipalities. He stated that support has to be requested from the Cable operator and has to be defined by the Municipality making the request. He stated the Township engaged a company to perform a PEG Needs Assessment, and that Assessment identified \$57,322.46 in PEG Capital needs, which is physical equipment not operational costs which are not permitted to be recovered from the Cable operator as part of PEG support. Mr. Roberts stated that given the Township has two negotiations going on at the same time - one with Verizon and one with Comcast - that amount will be split between the two providers because the amount has to be tied back to the actual Capital costs. Mr. Robert stated Comcast has agreed to give one half of the identified amount in the amount of \$28,661.23. Mr. Roberts stated his firm is pursuing the other half of the PEG Capital amount needed in the Verizon negotiations which are ongoing.

Mr. Roberts stated there was a question raised with respect to the PEG Capital Grant about pass-through to subscribers. He stated Federal law allows cable operators to pass through the amount of the PEG Capital Grants to subscribers, which means that the amount of the ten-year Franchise Grant can be recovered from subscribers in the Township over the term of the Agreement as a separate line item on their bills, the same as Franchise Fees are permitted to be recovered as a pass through to the subscribers. He stated the total \$28,661.23 Capital Grant will be divided over the ten-year term and recovered each month as a line item on subscribers' bills. He stated that has been a part of nearly all Cable Franchises since the passing of the Cable Act in 1984, and it was included in the Township's past Franchise Agreements as well.

Mr. Roberts stated with regard to services to community facilities, this was also effected by the 621 Order of 2019. He stated in the past Cable operators have traditionally provided free services to community facilities including the Township building, Police Department, schools, and many facilities that had some tie back to the local Government which were entitled to receive a single cable drop from the provider; however, under the 621 Order, those drops are now considered to be an in-kind service that the Cable operator is no longer required to provide free of charge. Mr. Roberts stated part of their negotiation with Comcast was to consider how to address this issue in the Renewal Agreement where the Township has existing locations where free services are currently being provided by Comcast that were contemplated by the past Agreement, and cutting those off or charging for those did not seem to be a sensible approach to addressing the 621 Order. Mr. Roberts stated what was ultimately done in the Comcast Agreement was to include language for Comcast to reserve the right to charge for those services moving forward, but they will not be doing so now. He stated Comcast has not yet started to charge for any of those services, and it remains unclear whether they will actually do so. He stated the language in the Agreement is that Comcast will not charge for those services for those locations that are listed in the Exhibit to the Agreement specifically defined by the Township; but if they would choose to do so moving forward, they would be required to provide the Township with 120 days advance notice of their intent to begin to charge some marginal cost for those locations. He stated the Township and Comcast would then enter into a negotiation to determine the marginal cost of those services. Mr. Roberts stated Comcast has freely admitted that they have yet to define what a marginal cost would be; and given the locations that they tend to provide service to under the Agreements, they have not yet seen a benefit to start to charge for those services given the nature of the facilities, but they want to reserve the right to do so

in the Agreement. Mr. Roberts stated the Township would have the ability to either pass the value of those services offset against the Franchise Fee which would mean that the Franchise Fee check every quarter would be reduced by the value of those services, the Township could pay for the services, or the Township could elect to remove them from the Agreement if Comcast would decide to begin to charge for those services.

Mr. Roberts stated with regard to the list of locations identified for the Community Services shown in Exhibit A to the Agreement, the Township Community Center was excluded erroneously in a previous draft; and the Community Center was placed back in the list of locations in the final Agreement. Mr. Roberts stated the Golf Course came up in the course of his discussions with Township staff, and that is a more complicated situation as it relates to the offset in the marginal cost question. He stated the Golf Course is currently a Comcast business customer and is receiving a bundle of services - phone, Internet, and cable - which they are billed for as a business account on a monthly basis. He stated that given Comcast's right to charge for those services under the 621 Order and given the fact that the Golf Course is not currently receiving Comcast services under the previous Franchise Agreement what would have happened had the Golf Course been included in the list of facilities in the Exhibit, it would have actually increased the cost of the services to the Golf Course as it would have impacted the bundle account.

Mr. Roberts stated with regard to the enforcement of the Agreement, there is language for imposing liquidated damages on Comcast in the event that they violate any provision of the Agreement, and the Township would be entitled to impose liquidated damages of \$250 per day that the violation would continue up to 120 days. After that 120 days, the Township could pursue termination of the Agreement removing Comcast from the Township and terminating their Franchise as well as suing them or any other remedy under the law.

Mr. Roberts stated there are a number of other requirements that are legal protections to the Township including requirements to get applicable Permits and restore any damage to the right-of-way in a timely fashion as well as customer service standards that are established by the FCC so that the residents are getting the best service they can from Comcast. He stated there are also technical requirements for the cable system as well as reporting requirements insuring that the Township can determine that Comcast is complying with provisions of the Franchise Agreement.

Dr. Weiss moved and Mr. McCartney seconded to authorize advertisement of the Comcast Franchise Agreement Ordinance.

Mr. McCartney asked if there is an estimated cost for additional locations for community services. Mr. Roberts stated there will have to be a negotiation in determining the cost, but their view is that the marginal cost of those services which are Comcast's cost to provide one more cable service drop would be low. He stated if they elect to charge for service to existing locations, it should not be high since they are already operating the cable system and providing the lines to each of the locations that are already established under the previous Agreement.

Mr. Grenier asked if the current Agreement includes Cable service to the Township Building; and Mr. Roberts agreed, adding that all the locations are listed in Exhibit A. Mr. Grenier asked if that includes the Community Center; and Mr. Roberts stated as he discussed earlier a previous draft had omitted the Community Center in error, but it is in the final Agreement.

Mr. Grenier asked if there was any feedback from EMAC on this Agreement. Dr. Weiss stated while they did not provide feedback yet, they were invited to participate this evening.

Mr. Lewis asked if the Pool complex is included in the Contract currently, and Mr. Ferguson stated the Pool is not.

Mr. Lewis stated this Agreement would be for the next ten years; however, as people "cut the cord" our revenues will decline. He asked Mr. Roberts if he has an idea how we should plan for that in terms of the potential decline based on his experience over the last few years, and where it will be in the long term. Mr. Roberts stated "cord cutting" is a major concern and there has been a trend of cable subscribers declining Nationally. He stated it is difficult for Municipalities to plan for this. He stated cable systems do not just provide cable services, and they also provide phone and Internet service. He stated the Cable Act only permits there to be a Franchise Fee on Cable service, and they cannot include any of the revenues from phone or Internet service in a Franchise Fee calculation. He stated there was a Case which indicated that to the extent that a Municipality is charging a 5% Franchise Fee, the Municipality is not permitted to charge any Fee for any of the other services. Mr. Roberts stated in terms of "cord cutting" his firm has been looking into the possibility of either decreasing Franchise Fees or eliminating a Franchise Fee in its entirety, and shifting that percentage-based

Fee to tele-communications, operation in the rights-of-way, etc. He stated they hope that moving forward that will be addressed at the Federal level. He stated the FCC under the current Administration, may be more involved in the Internet-regulation arena than the past Administration.

Mr. Lewis asked if there is FCC action that could be taken absent Federal legislation. Mr. Roberts stated it would only be under the Tele-Communications Act which would be a separate piece of Legislation, and local Governments under the Tele-Communications Act are permitted to receive a fair return on use of the public rights-of-way and would be the kind of Fees charged to fiber providers. He stated given the interwoven nature of cable and Internet right now, the Franchise Fee obviates the ability to charge that additional Fee under the Tele-Communications Act, but that would be the arena under which they would address that.

Mr. Lewis asked if there are opportunities in Pennsylvania Law for us to capture additional Fees for rights-of-way usage that we have not yet explored. Mr. Roberts stated while there is nothing under Pennsylvania Law now, he would encourage the Township to discuss this with their State Representatives. He stated the trend at the State level has been in the opposite direction, but with the digital divide becoming more of an issue given the Pandemic when tele-commuting and remote education have been more of an issue, this is something that they hope the State Legislature will address.

Mr. Zachary Rubin, 1661 Covington Road, stated he is the Chair of the Electronic Media Advisory Council. He asked about the compensation that the Cohen law group is getting from the Township, and he asked it is one lump sum or are they being compensated on an hourly basis. Mr. Roberts stated they performed this project on a flat-fee basis which he believes was \$8,900. Mr. Ferguson stated the Cohen law group was engaged for this particular project early this year. He added that there has been a prolonged Verizon discussion, and the Township participated in that with about two dozen communities across Bucks County in the Consortium.

Mr. Rubin stated the Comcast Franchise Agreement expired a number of years ago; however, Mr. Ferguson stated it expired the end of last year.

Mr. Rubin thanked Mr. Ferguson for getting the answers to a number of questions he had last month.

Mr. Rubin noted in the Agreement 3.12 related to tree trimming, and he stated Comcast has the right to trim trees in the right-of-way which might interfere with their services. He asked if Comcast coordinates this with PECO so that they are not trimming the same trees and if they are dividing up the Township where the needs are. Mr. Roberts stated he believes that Comcast's relationship with PECO is that if work is necessary for Comcast, Comcast will perform that work; and they would have a Pole Attachment Agreement with PECO for attachments to any PECO-owned poles. Typically that work would be reserved for Comcast to perform themselves unless it would interfere with PECO's facilities.

Mr. Lee Pedowicz, 247 Truman Way, asked about the Verizon Agreement. He also asked how the Township is divided up between Comcast and Verizon. Mr. Ferguson stated the Township is not divided up that way. He added that what Mr. Roberts was referring to was the Capital Improvement Grant that is part of the Agreement and Comcast and Verizon would typically cover 50% of that cost. Mr. Ferguson stated he has reported regularly this year on the status of the Verizon Agreement which is much more complicated than the Comcast Agreement, and he will provide an update at an upcoming meeting.

Mr. Pedowicz asked why the Pool was exempt from having service, and Mr. Ferguson stated it is not in part of this Agreement to provide cable service to the Pool. Mr. Pedowicz asked if Comcast does not provide service free of charge to the Township Building and the Police Department; and Mr. Ferguson stated as Mr. Roberts noted earlier that has been done, but Comcast has reserved the right to charge for that in the future. Mr. Pedowicz stated he believes that he heard that if they do decide to charge, they will provide 120 days' notice; and Mr. Ferguson agreed adding that they would negotiate what the marginal price would be. Mr. Pedowicz asked what would happen if there was no agreement, and Mr. Ferguson stated they would then remove it from the facility. Mr. Pedowicz asked what the Township would replace it with, and Ms. Blundi stated they will have to consider that in the future if it occurs.

Mr. Pedowicz stated with regard to tree trimming, the electric facilities are the "highest things on the pole," so if PECO trims their trees, "chances are they will not care what is going on with the lines below them."

Mr. Rubin stated this Franchise Agreement only covers Cable TV, and it does not cover Internet and other types of services.

Motion carried unanimously.

ENGINEER'S REPORT

Mr. Pockl stated the Board had been provided his report in their packet.

PROJECT UPDATES

Mr. Grenier stated with regard to Sandy Run Road, it seems that we are waiting on one more light for Schuyler. Mr. Ferguson stated the Mill Road light was put in first to see how contained that would be to make sure it would stay on site. He stated the light is similar to a street light. He stated at Schuyler there are adjacent Residential properties, and they wanted to do the Mill Road light first so that it could be the framework for the installation on Schuyler. He stated it seems that the Mill Road light is contained the way they want, so Schuyler will be next.

Mr. Grenier asked for an update on Memorial Park. Mr. Pockl stated they will finish surfacing the Courts tomorrow. Signage is in for the parking lot. After the surfaces are finished, the nets will be put in. There have been supply chain issues with the benches, and they will probably not be in until January.

Mr. Grenier asked about responses from DEP on the last submittal of the Pollution Reduction Plans. Mr. Pockl stated we took credits for basins that were installed at the Oakmont Development and the Freeman's Farm Development beyond what was required for the Water Quality Permit. He stated DEP wanted additional proof that those credits that we took were legitimate, and that was provided. He stated DEP is going to look at that, and it is believed that a Permit is imminent before the end of the year.

MANAGER'S REPORT

Approval to Authorize to Advertise the Adoption of the Preliminary 2022 Budget

Mr. Ferguson stated the Board held a Budget Discussion this evening from 6:30 p.m. to 7:30 p.m.

Dr. Weiss moved and Mr. McCartney seconded to authorize to advertise the adoption of the Preliminary 2022 Budget.

Mr. Lewis asked what would be the reporting relationship for the Fire Services Director, and Mr. Ferguson stated that person would report to the Township Manager. Mr. Lewis asked how that would work with the Chief of Police who is responsible more generally for emergency response, and he asked if thought was given to having that person report to the Chief of Police; and Mr. Ferguson stated that was not considered. Mr. Ferguson stated the Police Chief is also the Emergency Management Coordinator, and the Fire Services Director would have a direct on-going relationship with the Police Chief and the Emergency Management Coordinator, which is currently the same person, regarding instances of on-site incidents; but the position would report directly to the Township Manager.

Mr. Lewis stated there was discussion previously about what it would cost to recruit employees to work during the summer at the Pool. He stated at that time Mr. Ferguson had provided wages with \$14.80 as the highest wage. Mr. Ferguson stated the range in pay would be between \$9.50 and \$14.50 for non-management staff for various positions including gatekeepers and various levels of lifeguards.

Mr. Lewis asked if we were to institute a minimum wage across all Township employees of \$15 are the Pool employees the only employees who would be below \$15 at this time, and Mr. Ferguson stated they are not. Mr. Ferguson added a \$15 minimum wage across the board would change dramatically the relative level of increase in Pool membership fees that we would need to charge. Mr. Lewis asked about other Township wages and whether there are positions other than at the Pool that are paid less than \$15 an hour, and Mr. Ferguson stated there may be a few seasonal employees that would be under that amount such as those brought in to mow grass, etc.

Mr. Lewis asked about General Fund Transfers Expense - Department 492, Account 19 -Special Projects which was budgeted at \$35,000 for this year but is proposed to go to \$125,000 in 2022. Mr. Ferguson stated for Special Projects for 2022 as it relates to the General Fund, recognizing that some of that money is coming from different areas, it would be \$50,000 for the Website upgrade that is being considered and \$75,000 for the Code software that was discussed.

Dr. Weiss asked Mr. Ferguson to discuss how we will be able to pave fifty-nine roads next year without using Sewer proceeds. Mr. Ferguson stated next year we would actually be paving fifty-seven roads and not fifty-nine roads; however, the Board had approved an Agreement with Falls Township to pave Elbow Lane and Walnut Lane, which are shared roads, that we will be paying for in 2022. He stated the Road Program next year would be paving fifty-seven roads.

He stated that typically the road money comes from Liquid Fuels money, which is State money, usually in the amount of \$700,000 to \$750,000 every year. Mr. Ferguson stated they have discussed previously the ability to draw back to the General Fund the American Rescue Plan money, and that allows us to have an additional one-time infusion of approximately \$750,000. He stated the third area for funds that has been presented is the Road Loan Program with the idea being that the Township would take out a short-term, three-year loan to front load our Road Paving Program and that would allow for multiple years up front to be paved, and then that loan would be paid off over three years. He stated the idea would be that that would become standardized, and it increases our base level of paving every year. Mr. Ferguson stated he has done this in other Townships, and it would allow us to pave upfront and not have the cost of inflation over a period of years by front-loading this in the first year.

Mr. Ferguson stated this would be in the Debt Services Fund, and that Fund will have a reduction in the required millage to pay next year for Bond Debt. He added that our Bond Debt in this Fund is going down, and he is therefore recommending that we re-allocate the lack of money needed to Bond Debt and apply that to a Road Loan. Mr. Ferguson stated as presented previously, that Debt Service Fund is for Debt, and a Road Loan is permissible since we would be making the Debt payment from the Debt Service Fund.

Mr. Ferguson stated assuming this Budget passes, the Road Loan Program would be done next year; and that loan would be paid off over three years, and in 2025, we could do it again. He stated this dramatically increases the base level of paving that can be done. He stated as he noted previously we have 138 miles of road in the Township; and if you assume a blended average of the need to pave a road every twenty years, recognizing that some roads last longer than that while others will not last that long, it would be assumed that we would need to do about 6.9 miles of road every year, and this program raises the base level of paving. He stated over the next seven years we would therefore have the ability to do almost 38 miles of road, and this will provide direction for the Board for additional monies that they may want to direct to try to meet that benchmark. It will be done through the Road Loan Program and will not involve any additional cost to residents as it is essentially a re-allocation of a Bond Payment that is being reduced next year.

Dr. Weiss stated we had recent communication from members of the EAC who gave some alternatives for use of the money for roads, and they suggested that the some of the Debt Service money be used for acquiring open space.

Mr. Ferguson stated that would be problematic as the point of taking the loan would not be to build a "bank account for future possibilities where you are paying the Debt ." Mr. Ferguson stated we have to go to the State under the Unit Debt Act; and if this passes, the solicitor will be doing that along with the specific plan as to what the money will be used for and how it will be repaid.

Mr. Grenier stated he created an Excel spreadsheet, and in the future he would request that Mr. Ferguson include looking at the delta year-over-year for different line items. He stated he also tried to do a five-year trend analysis although we never show five years in our Budget.

Mr. Grenier noted Fund 45 - Patterson Farm - where there was Revenue of a little over \$193,000 and Expenses of about \$68,400. Mr. Grenier asked what Expenses are covered under the \$68,400. Mr. Ferguson stated the two primary Expenses are a placeholder (on page 74 of the Budget) in the amount of \$25,000 for minor building repairs which is not specific but would cover any minor building repairs, and Contracted Services, which would include sending someone out for animal control, repairs, etc. Mr. Grenier asked if the animal control for Patterson Farm is separate from the Animal Control Officer Budget that we have, and Mr. Ferguson agreed . He stated this would be if someone was sent out to handle specific items such as issues with woodchucks and raccoons which have been problems in the past. Mr. Ferguson added that there could also be an issue that required a contractor to go out that would not necessarily be a building repair, but would be some other service needed. Mr. Grenier asked if it could be an issue similar to what was done this year with regard to the windows, and Mr. Ferguson agreed .

Mr. Grenier asked if there has been any work contemplated for next year based on the report to be provided from the Ad Hoc Property Committee, and Mr. Ferguson stated he has not included anything in the Budget as it sits. Mr. Grenier asked if something could be done in 2022 with Patterson Farm or any of the other the properties being considered by the Ad Hoc Property Committee if we come up with something that "is interesting" that we would like to get done, but is not specifically a line item in the Budget that we have now although there "is money sitting there to accomplish that goal." He asked if that would be allowed. Mr. Ferguson stated that would depend on the size and scope of a project. He stated there are items that could come in under Budget, and the Board could decide to approve a transaction to transfer money indicating where the transfer would be coming from. He added there

could also be a discussion in February with regard to the \$20 million of Sewer proceeds money, and the Board can use those proceeds for anything they want although they would have to follow all Bidding requirements.

Mr. Grenier asked if we anticipate any money from the 501C3 for the Garden of Refection any time soon. Mr. Ferguson stated he feels their intent would be to want to come before the Board of Supervisors before the end of the year to give an update. Mr. Ferguson stated he does not have any funding from them budgeted for next year; however, if funding becomes available that could be viewed as a reimbursement for costs that we have had and there will also be Capital repairs that need to be done including electrical/lighting issues.

Mr. Grenier noted Road Machinery where there is a 38% increase in the Lease Expenses. Mr. Ferguson stated he is staging Lease payments within the confines of .3 mills so there will be periods of time when we are carrying a Fund Balance since we may have only made two payments on new pieces of equipment. He stated most of them are for three years; and as they get to the point where we are making four payments on each of them, the payments will go up. He stated next year that Fund will probably go down somewhat because some of the pieces of equipment will be paid off and new pieces of equipment will be coming on where we would be doing only one or two payments. He stated the purchase plan that we will continue to go through with Public Works will be in the confines of the .3 mills. He stated there could be a year where there is a Fund Balance of \$70,000 for example, and that would be because we need the cushion for the next year for the additional payments.

Mr. Grenier asked, given that we now have cash on hand, if there is any benefit to buying the equipment versus leasing; and Mr. Ferguson stated at times we have done that in this Fund. He noted we purchased a paving roller for \$45,000 without leasing it when there were cushions of money; but for the most part with rates being low, and the fact that other than this year, we have been doing multiple pieces of equipment at a time, this gives us the ability to get caught up on equipment by leasing it versus buying it outright. He stated when there is a piece of equipment needed that is \$200,000 to \$300,000, financing becomes a requirement; although there have been items that have been purchased with cash when a surplus of money is anticipated.

Mr. Grenier noted the Tree Bank Fee-In-Lieu Fund with Revenue of \$0 and an Expense of \$25,000. He stated we will be receiving a significant amount when Prickett Preserve pays their Tree Bank Fee, and he asked if that will be included in this Fund. Mr. Ferguson stated it would be in this Fund. He stated he typically budgets to spend out of the Fund Balance that we have in this account. He stated this is not a Tax Account - it is a Fee-In-Lieu of Account; and if we get a \$200,000 Fee, the Board could decide to spend that money, and it does not need to be shown in the Budget. He stated he would not want to plan for a \$150,000 planting for next year while waiting for funds that we hope will be coming in next year. He stated he would rather work with what we have and expand it if in fact the money does come in.

Mr. Grenier stated with regard to the Road Paving Program, he has concerns about taking out a loan to do this much paving and having to pay interest back on a loan when we have cash on hand so that we could reduce our potential liability. He stated he assumes the rates are fairly low, but having to pay interest on something when we might be able to pay cash as an option is something he is interested in hearing about.

Mr. Ferguson stated there is \$750,000 in paving from the American Rescue Plan; and while there may always be cash on hand to expand the Paving Program, he still feels we should continue to look to use the Road Loan Program. He stated his concern is that if we use the cash on hand for paving, we will need to consider in future years how much cash is on hand to expand the paving versus standardizing it in a Loan Program. He stated if we do a \$1.5 million Loan Program and front-load multiple years of paving, even if the interest rate is as much as 3%, that is still less than it would be to not take the loan and have potentially a 5% year-over-year inflationary adjustment or more by stretching that over time. Mr. Ferguson stated in the past there were years when we took Bond money and used \$300,000 to pave a road; and since it was re-paid over twenty years, it resulted in paying \$590,000 for a \$300,000 Road Program because we had cash on hand that we had from Bond proceeds. Mr. Ferguson stated if in the future, interest rates rose to the point where a Road Loan would be at 7% to 9% interest, it would probably not make sense to do it; but there has been a sustained low-level of interest rates and a high level of inflationary increases. He added that we can still do influxes of cash as we have gotten Grants in the past and there is Rescue Plan money; but he feels to try to get to the base level of paving, we need the Loan Program and other influxes of cash during that period to try to get us to a number consistent with a Paving Plan that paves roads every twenty years.

Mr. Grenier stated he has a concern about the number of roads we are proposing to pave in 2022 and whether that can be implemented within the construction season. Mr. Ferguson stated there are examples in Bucks County such as the Falls Road Program which last year was \$3.2 million, and there are contractors who can handle this work. He stated they have also budgeted accordingly for road inspectors from Remington Vernick, and the Public Works Director is also a PE so they feel the size of the Program is manageable.

Mr. Grenier noted in the Capital Reserve Fund there was zero for stormwater projects. He noted a number of stormwater projects that have been discussed previously. Mr. Ferguson stated there is about \$50,000 budgeted for engineering expenses associated with reports and monitoring. He stated in the Budget there will be \$1.7 million which is the Rescue Plan money that has not been budgeted for. He stated once DCED through the State releases what the guidance is as to how to Bid, we will then be able to discuss a plan with the Board on whether we should do basin repair, retrofitting, stormwater projects for low-lying areas, etc. that would not have to be approved as part of this Budget because it is Rescue Plan money being used. He stated by the spring of 2022, the Board may be discussing a number of projects recognizing that we have until 2026 to spend the Rescue Plan money. He stated while there is a zero under Capital Projects, that will not be a zero if we get guidance in 2022; and funds for those projects would be coming from the Rescue Plan.

Mr. Grenier stated there is also the Build Back Better Plan; and while we do not have guidance on that yet, he assumes that we may get additional funds from that to do some other infrastructure projects which could be roads, stormwater projects, etc. Mr. Ferguson stated the South Drive culvert had been discussed last year which we did not fund, and that is a Capital Infrastructure improvement that is in the Budget. He stated they have been working with Remington Vernick on that, and the cost is about \$190,000. He stated while that is not directly stormwater, it would fit as part of the whole system that we need to upgrade.

Mr. Grenier stated he understands that Mr. Ferguson has been looking at long-term plans for various things, and he would like to discuss with him a similar plan for stormwater issues. Mr. Ferguson stated Mr. Pockl had indicated a few years ago that this will involve big numbers, and \$1.7 million toward those projects will be a remarkable opportunity; and we would not have to ask taxpayers locally to pay to get a campaign started.

Mr. Grenier noted Special Projects -19. He stated the original Budget for Sandy Run was over \$700,000, the approved Budget for construction was approximately \$585,000, and the Budget now has \$635,000. Mr. Ferguson stated that also includes an extra \$13,000 because they had to re-pave a portion of the road that came up during the storm. He stated this also includes the lights and trimming of trees around the Schuyler circle to improve sight lines. Mr. Grenier stated he is hopeful that the additional monies that were spent will be incorporated into what we are trying to get refunded.

Mr. Grenier noted the \$500,000 for the Quiet Zones, and he asked the status of that project. Mr. Ferguson stated the inspector came back out late this spring to get updated train counts and a review, and he submitted a report that came to the same original conclusion. Mr. Ferguson stated he assumes that this will be discussed soon. Mr. Grenier stated he is hopeful that we will get refunded for that as well similar to Sandy Run.

Mr. Grenier noted Golf Revenues, Number 16. He stated he is seeing Revenue increases for various items of 120%, 150%, 47%, 117%, 250%, 83%, and 85% for a lot of activities that have historically been those where there have been concerns including Food and Beverage. He stated the numbers being shown seem inflated and too ambitious. He stated he does not feel they are realistic based on how big of an increase they are. Mr. Ferguson stated the Revenues that they are projecting for 2022 represent about 2% more than the year-end projection for 2021 overall. He stated if Mr. Grenier has something particular he would like to discuss, Mr. Attara is available. Mr. Ferguson stated we are estimating Year-End Revenue of \$3,377,000 and 2022 Revenue of \$3,421,000 so it is actually a 1.4% increase.

Mr. Grenier stated he is "wondering how much golf is going to stay since it has dropped so much over previous years." Mr. Grenier stated they are also showing some big increases in Expenses with high double-digit increases in costs of goods sold, salaries, etc. He stated he wants to make sure that the Golf Course stays profitable. He stated there are big increases on both the Revenue and Expense side that give him pause.

Mr. Ferguson stated they have seen the Course get busier this year, and there is a corresponding increase in costs. He stated while some Expenses are flat, they did have to get leases for mowing equipment with that expense being up \$30,000 over the previous years. He also noted Item 468 - General and Administrative - on Page 45, and there is an increase for Capital upgrades of \$125,000 on the Course. He stated the

Course will now have the ability to invest back into itself. He stated over the last few years, the Board approved bunker upgrades, and we will continue to see a larger annual number of \$100,000 a year or so to be put back into the Course, where we were more limited to do that in previous years.

Mr. Grenier stated as we start to plan those bigger expenditures, he would like to see what the return is on doing that and what income stream will come back to make sure the expenditures are worth it.

Mr. Ferguson reminded the Board that one of the items we are talking about creating is a Golf Capital Reserve Fund. He stated Mr. McCartney had asked that the Fund be re-named Golf Long-Term Capital Reserve Fund which he will do. He stated one item which was discussed previously was the fact that Mr. Attara has warned that the irrigation system has a certain lifespan to it, and the cost for a new irrigation system will be over \$1 million. He stated if we start to set aside \$100,000 a year or so, we will have enough money to pay for that. He stated there is also a Five to Ten Year Plan for Golf Capital, and those Plans will be forthcoming.

Mr. Grenier noted Fund 11- Traffic Impact - and he stated the Fund Balance is going up by 44%. He asked what is driving that increase. Mr. Ferguson stated we received \$58,000 this year. He stated there are designated Districts for the Traffic Impact Fund, and those funds are supposed to be used in particular areas of the Township that are defined. He stated the point of the Fund is that you identify needs in the Township as part of a plan, and when you collect Traffic Impact Fees, the funds are to be directed into those particular areas of Township. He stated there are certain Second Class Township/legal rules as to how the needs would be evaluated and how to spend those dollars, and he feels that the Township should have a plan as to exactly how those dollars should be spent. He stated since he has been with the Township he has not authorized spending out of that account since he feels we need an updated plan, and he intends to have that discussion with the Board in the future.

Mr. Grenier noted Fund 9 under Pool Revenues, and he particularly noted a \$352,000 increase in Membership fees which is a big increase coming out of COVID. Mr. Ferguson stated this was discussed on November 3, and what is driving that cost is the issue of area pools being able to attract guards to be paid \$9 an hour when other are employers were offering \$15 an hour.

Mr. Ferguson stated this past season we had to close from 3 p.m. to 4 p.m.; and there were other restrictions including when the slide would be open. He stated they looked at where they felt pays needed to be in order to make us competitive not just with other pools but also with other options workers have to make more money. He stated they came up with a profile of the staff needed to be open in the manner that people in Lower Makefield would expect. He stated once they determined the wage scale, they needed to consider what that would translate to in Membership fees.

Mr. Ferguson stated Ms. Tierney made a presentation at the last Board of Supervisors meeting showing how the rates could be re-structured. He agreed that overall this results in an increase; however, as Ms. Tierney noted at that meeting, there are a number of groups, particularly those who may be on a more-limited income, where their fees would actually go down. Mr. Ferguson stated when they looked at the Membership structure the way it was, it would have required a 23% across-the-board increase to accommodate what the pays will need to be to keep the Pool competitive. Mr. Ferguson stated Ms. Tierney also wanted to use this as an opportunity to address what people had often complained about in that if there was a family of seven with a Family Membership, they were paying the same Fee as a family of three or the same as a family which has children who are away or who do not use the membership. It was felt that an a la carte possibility would lower some fees. Mr. Ferguson agreed that there are some people who will be paying more including a family of four, and their fee would be going up. He stated a comparison with other pools and what we had to offer had been shown at that prior meeting; and we feel that even with the fee proposal, the pricing is still competitive compared to other pools that people could look at.

Mr. Grenier stated he sees this proposal in its first year as presenting a fair amount of risk; and given that the Pool is designed to be self-sustaining, he is concerned about some of the additional expenses planned including personnel and maintenance repairs. He stated he would like to look at other ways to deal with the Pool management staff.

Mr. Ferguson stated if Mr. Grenier is referring to the proposal for a full-time Pool Manager, that position raises the cost to the Pool with the proportion that would be charged by about \$10,000. He added in terms of maintenance of the Pool, the Bidding requirements that we have to paint the pools has gone up dramatically. He stated it could cost \$70,000 this year to paint all of the pools. He stated we have found that if we try to get an extra year, particularly out of the Olympic pool, it does not look good. He stated we

are also properly maintaining the slides and are not having an auto body shop shop maintain the slides as was done in the past. He stated having a slide company do this work that certifies us is also good for our insurance to make sure that they are comfortable that we are trying to do maintenance the right way.

Mr. Grenier stated while he appreciates that, the more you own, the more expensive it gets for maintenance. Mr. Ferguson stated there is a need to do something about the pay. He stated this year some of the seasonal workers were working ninety-five hours a week, and they probably will not come back. He stated if we keep the wages where they were, we may not be able to get the personnel that we need. He noted that the Oxford Valley Pool did not open until July 4 and was only open for a limited number of hours. He stated the Lower Makefield members were unhappy with the need to close the Pool from 3 p.m. to 4 p.m. He stated that was not just to provide a needed break to the employees, but it was also needed because we were so shorthanded that to be in compliance with Child Labor Laws we had to close the Pool so that the workers were kept under the number of hours they were allowed to work.

Mr. Ferguson stated while he recognizes Mr. Grenier's concerns, he would be more concerned if we spent a significant amount of money to do maintenance at the Pool, but then had to cut the time it is able to be opened by some significant degree that would impact people's ability to want to continue to be members.

Mr. Grenier stated while he understands that, we have a "big Pool system which can allow for a lot of visitors to use it, but when we have that many visitors, we need to staff it up to keep them safe."

Mr. Grenier noted Number 5 where there are big increases in Contracted Services one of which was 34% and another was 192%. He stated there were also Trail increases of 183%, and Engineering Fees also went up in a number of instances. He asked why Contracted Services are increasing. Mr. Ferguson stated Contracted Services went up because many of the items were rolled up into the main line item that Mr. Grenier is looking at under 451300. He stated he does have a list for Contracted Service which is Schedule Din the Budget where he has provided point by point what each of those items would be. He noted for Park & Rec under the items Mr. Grenier is looking at, they have included Interns who are paid \$4,000 each. He also noted tree service for trees in the Parks for which funds have had to be increased over the last couple of

years in the amount of \$12,000. He stated there is also wasp and bug control of \$4,000. He stated that is not an increase; and rather than assigning bug service in the Budget to each Park, they have rolled it up into that one main line item. He stated the big item is garbage collection that has been rolled up to be paid for out 05 in the Account Mr. Grenier is talking about. He stated in 2021, it was zero, but for 2022 it is budgeted at \$19,500. He stated this is not a new cost - rather it is a consolidated cost. He stated there is a \$24,000 budgeted increase and that constitutes \$19,500 of it, but it is moving around the Expenses so that it is easier for staff to book when the bills come in.

Mr. Grenier noted 451 - Personnel - where there is an increase of \$64,000/\$65,000, and he asked what that includes. Mr. Ferguson stated there are employees getting raises. He stated there is also 25% of the cost of the full-time Pool Manager since that person will be doing Pool-related responsibilities nine months out of the year, but then Ms. Tierney would have the opportunity to repurpose that person for the other months of the year. He added there is also the proposed new Administrative Assistant.

Mr. Ferguson showed a slide that was shown previously of Park & Recreation Employee comparison of Lower Makefield and some surrounding Townships. He stated currently in Park & Recreation there are four, full-time staff members in the Office, and the proposal is to go to six, full-time staff members. He compared this to Newtown which has four staff members but only half of our facilities and no Pool. He stated Northampton has eight staff members. He stated he feels the proposed increase is warranted.

Mr. Grenier noted 457 and 458 under Park & Rec which are Samost and Snipes, and he asked Mr. Ferguson why those are in the Budget this year. Mr. Ferguson stated they are not - they are zeroed out. Mr. Grenier stated while he knows that, he asked why they "exist;" and he asked if that is because they are Township properties which may have a Budget at some point. Mr. Ferguson agreed. He added that a few years ago Snipes did have a Budget but it was not utilized.

Mr. Grenier noted Planning & Zoning where there is a \$72,000 increase in Personnel, and he asked if that is the other additional staff person; and Mr. Ferguson agreed. He added that there is also an increase in Inspection Fees and that is the Building Inspections company. He stated previously we were paying much less, but we had service representative of the fact

that we were paying much less. He stated the current company has a very deep bench and a number of inspectors who have been turning around Permits quickly. He stated currently the cost of the Inspections Company is \$25,000 a month. However, he did not Budget \$300,000, rather he Budgeted \$24,000 a month with the intent that we would raise the pay of the current Code Enforcement Officer dollar-for-dollar to become the Building Code Official where inspections, the sign off of Permits, and reports would be in the hands of a local employee; and the consulting firm would report directly to him versus that being in the hands of a consulting firm.

Mr. Ferguson stated the cost also includes the cost of hiring the Planner, which would be a partial-year hire starting around April 1. It would also include 3% raises for the rest of the staff in the Department.

Mr. Grenier stated it appears that the total increase under 414 - Building & Zoning is about 26% or just under \$155,000. Mr. Ferguson stated while the Budget number is correct, off the year-end projection it would be \$118,000. Mr. Ferguson reminded the Board that we switched Building Inspectors part way through the year, and the monthly Expense for the Inspection Company and the level of service they are giving is higher than what we had previously.

Mr. Grenier asked about the software upgrade which is \$75,000, and Mr. Ferguson stated that is in Special Projects.

Mr. Grenier noted Police Expenses, and he asked where they put the four motorcycles and the four Police cars; and Mr. Ferguson stated that is in the Capital Projects Fund. Mr. Grenier asked how much is being spent on the motorcycles, and Mr. Ferguson stated it is \$120,000 for four motorcycles. Mr. Grenier asked the number of motorcycles we have now, and Mr. Ferguson stated we have four. Mr. Grenier asked if we are purchasing all new motorcycles, and Mr. Ferguson agreed.

Chief Coluzzi stated the original motorcycles were bought when we started the Highway Unit in 2010. He stated they constantly need to be repaired and they are unsafe so they have to be replaced. He stated the others are six years old.

Mr. Ferguson stated those are being paid for out of Rescue Plan Funding. He stated they are budgeted in Capital Reserve, but the money that is being transferred to pay for them out of Capital Reserve is coming from the Rescue Plan Funding. He added that the four Police cars that were budgeted are for

\$210,000 so the total amount for the Police for four cars and four motorcycles is \$330,000. He stated as noted previously, he believes that to get maximum trade-in price on vehicles and to minimize the Vehicle Maintenance Budget, moving forward we should always try to look to do four Police cars in some form or fashion every year.

Mr. Grenier stated he would be curious to know what trade-in values are now on Police cars versus years past since used-car prices have increased. Mr. Ferguson stated while that may be the case, part of the issue is that if we get to a plan where there is a five-year lifespan for a Police car, regardless of how the current environment is, you will tend to get more if the cars are in better condition and do not have a significant number of miles.

Mr. Grenier noted Central Government with Traffic Engineering fees up 33% and other Engineering Fees up 47%. He stated Stormwater Engineering Fees actually went down 29%. He stated Legal Fees were approximately \$165,000. He asked why they are projecting fairly large percentage increases for the Engineering Fees.

Mr. Ferguson stated with regard to the Traffic Engineering Fees, he is trying to put in a "healthy amount" because Mr. Fiacco is often asked to look into various issues so this is a placeholder. He stated with regard to Stormwater Engineering, the numbers came from Remington Vernick estimates. He stated Remington Vernick had previously done reports on the approximately eighty basin inspections and reviews which has been completed. He stated they have now transitioned to the Pollution Reduction issues. He stated the engineering costs for potential future basin projects are undefined at this point. Mr. Ferguson stated with regard to the other engineering costs, he is basing that on the variety of projects that are pending for the engineers to look at, and he would like to keep that number "robust" recognizing that there will be discussion in 2022 about various items that have been discussed as part of the Budget discussion regarding American Rescue Plan money and possible Sewer proceeds money.

Mr. Grenier asked Mr. Ferguson to compare the Legal Fees of \$165,000 to those which were paid in Newtown. Mr. Ferguson stated Newtown's Legal Fees are very low, but the hourly rate that Newtown is charged is actually more than what our solicitor charges. He stated in Lower Makefield our legal firm, with multiple attorneys, is asked to look into many issues. He stated the 2020 Actual was \$165,000, and we are estimating a similar

2021 year-end number, and a Budget amount of \$165,000 for 2022. He added that Mr. Truelove has indicated that they do not intend to raise their rates next year.

Mr. Grenier asked if the \$165,000 is inclusive of Mr. Truelove attending the Supervisors' meetings, and Mr. Ferguson agreed. Mr. Ferguson added that the only things that would not be included in the \$165,000 would be Zoning Hearing Board work and Plan review work which would be charged to the developers. He stated in the past when there was Sewer legal work being done, even pre-sale, Ms. Kirk would do that work which would be billed to the Sewer Fund.

Mr. Grenier noted the General Fund with regard to the Leaf Assessment which is now at \$643,000, and he asked what that covers. Mr. Ferguson stated this covers in-house staff and temporary staff from agencies which are the three contractors that the Board approved. He stated this would also be applicable when we need to purchase a new tub grinder.

Mr. Grenier noted the Review Fees with some of the percentage increases being high. He stated this is in the General Fund. He noted "No. 361 and No. 320 under Charge for Services, and 320 - Plot Plan Review Fee." Mr. Ferguson stated that is a Revenue - not an Expense. Mr. Grenier asked if they just increased the Fees or did they assume we will have more volume. Mr. Ferguson asked for the Fund Number, and Mr. Grenier stated it is the General Fund - Fund No. 1, 361- Charge for Services - 320 - Plot Plan Review Fees. Mr. Ferguson stated that is \$25,000. He stated we Budgeted \$10,000 for 2021, and we are expecting a Year-End of just under \$30,000, so they are putting in \$25,000 for 2022 which is an average.

Mr. Grenier stated he assumes this is also the case for Electrical Permits and Zoning Permits, and Mr. Ferguson stated that was done the same way. Mr. Ferguson stated it does not assume a rate increase.

Mr. Grenier noted Fund No. 1- 341- Interest Earnings, where in the Budget there is a 38% decrease in one interest earning "000" and "007" there is a 57% decrease in interest earnings under "SBA." He asked what is contributing to that, and he asked if it is just the rates going down; and Mr. Ferguson agreed.

Mr. Grenier asked about open space money. He stated he looked at the Bond Fund, and it seems that we are transferring \$500,000 from that Bond Fund to the Special Projects with \$3.5 million to the Sewer Fund. Mr. Ferguson stated the \$500,000 is for the potential Railroad crossing project for the Quiet Zone. He stated the remaining \$3.7 million that would be assumed to be left at the end of this year, would be up for Board discussion for other uses. Mr. Ferguson stated with regard to Open Space, that Bond Issue from that period of time has a variety of open-ended uses for which that money could be used for. Mr. Grenier stated he is "frustrated" that we have to use Bond Funds to fix another issue caused by a professional, and hopefully we can recover that.

Mr. Grenier asked if we are set for the Fees for Outside Legal Services related to the Sewer issues. He stated he believes that it is \$860,000 for that; however, Mr. Ferguson stated that is not for legal fees. He stated that \$860,000 from the proceeds would be all-encompassing. He stated some of the costs such as the Title Search have been factored into that number, and with some of the proceeds we would reimburse ourselves for costs that we have already paid. He stated there have been some additional costs as part of the Sale process including the lawsuit that was not anticipated, so the number may be higher when we eventually reconcile all of the Accounts.

Mr. Grenier asked when he anticipates all of the outside costs for the Sewer will be received. Mr. Ferguson stated he was going to send the Board a notice that the Administrative Law Judge approved the Sale of the Sewer system at the end of the day today. He stated this will go to the PUC for a scheduled-Hearing on January 13, and presuming that goes through, we would be coordinating a Closing date with Aqua possibly three to four weeks later. He stated the costs would hit once we receive the proceeds, although some of the Fees have been paid already as he has noted.

Mr. Grenier stated he assumes we would get the check early enough in the year so that we are not carrying "that much risk for too long" since it would essentially be February. Mr. Ferguson stated he agrees, and he is coordinating a variety of things including a Closing date in advance of the March 1 Bond payment that would be due to save on having to make a \$180,000 interest payment on one of the Bonds.

Mr. Lewis asked if we were to vote to publish the Budget at this time, we could not make any edits; and if that is the case, we would have to make edits now. Mr. Truelove read from the Second Class Township Code Section 3202 as follows: "Any revision of the proposed Budget if the estimated Revenues or Expenses in

the Final budget are increased by more than 10% in the aggregate or more than 25% in any major category cannot be legally adopted." He stated it does not tell what a "major category" would be, although he feels accounting principles would dictate that. He stated the Board therefore has some tolerance within this between now and when they adopt the Final Budget without having to go "back to square one."

Mr. Lewis stated his concern is that "if he were to have a change there might be a revision that would suggest that a determination that it is above the 25% threshold;" and if he were to change any one line item, he is not sure what the ruling would be on threshold. He asked who would make the decision as to whether it met the threshold. Mr. Truelove stated he cannot answer that at this point, and there would have to be a decision made once something specific was seen.

Dr. Weiss stated while we cannot raise 10% on the aggregate or 25% on a line item, there is no such restriction for a decrease; and Mr. Truelove agreed.

Ms. Blundi stated what is being described is the same process that has been in place since Mr. Lewis has been on the Board.

Mr. Lewis stated typically what was done in the past was that there were Workshops where the Board could offer up suggestions. Ms. Blundi stated this has not been the case since 2018. She stated this Budget has been published for over two weeks, and there has been *time* for discussion on the Budget. She asked Mr. Lewis if there is something specific that he wants to propose.

Mr. Ferguson stated since he has been the Township Manager, the process that Mr. Lewis has talked about is not something we have done. Mr. Ferguson stated we did have separate meetings each of those years, but those separate meetings were in the same exact context that we did at the November 3 meeting this year. He stated last year there was a separate meeting in large part because there were a lot of things going on with the Sewer sale that were discussed. He stated that separate meeting was about eighty minutes long, and at the next meeting the Board voted on the Preliminary Budget. Mr. Ferguson stated this year, per his recommendation to Ms. Blundi, we just incorporated that discussion into a regular meeting; and the format was the same although we spent about two hours on the Budget where in previous years, we had spent about eighty minutes on it. He stated he knows in previous years, including in 2017, there were Workshops where Department Heads came in and presented their "wish lists." Mr. Ferguson stated the current process has been streamlined

where he works with Department Heads within the confines of what money is in place and their immediate needs so that the Department Heads do not have to potentially compete against each other for limited resources.

Mr. Ferguson stated this is the process that he has always done, and he has not had open meetings where Department Heads go over all of their wish lists. He stated while there were separate meetings, the process and the framework that was done this year was consistent with the previous years.

Ms. Blundi stated the Budget has also been made public for a longer period of time than previously.

Mr. Lewis stated he was asking a process question and what the process would be if we wanted to make edits to the Budget. Mr. Ferguson stated there is a certain parameter for changes to the Budget that would be the 10%/25% rule. He stated this can vary widely depending on the particular Budgets. He stated the Police Budget is \$6 million so there is more leeway with that. He stated if there was a Tax increase proposed in the Budget, which we do not, the Board could get rid of the Tax increase because that is not effecting it in the applicable 10%/25% way.

Mr. Ferguson stated if the Board would want to exceed the 10%/25%, the process would be that the Board would have to start over with another Preliminary Budget that would be discussed and voted on; and that would have to be done by December 10, to provide the twenty days to pass it on December 31. Mr. Ferguson stated part of the Budget also has to do with taxes. He stated if the Board were to decide between the Preliminary Budget and the Final Budget to increase something like the Tree Budget which is based on developer Fees, those percentages are not applicable. He stated the percentages are applicable for those areas where there is a millage or tax collection as part of that Budget.

Mr. Lewis asked if he were to propose reductions of above 25%, those would always be acceptable; and Mr. Ferguson agreed. Mr. Truelove stated the changes that would be applicable would be as Mr. Ferguson discussed which would be increases in the Budget related to taxing sources for those categories. He stated if there is a decrease, that would not be controlled by the Section he read. Mr. Ferguson stated if there was a line item such \$10,000 for Minor Equipment, and the Board decided they only wanted to spend \$5,000, that is a 50% reduction; and the percentages would only be applicable if the Board were to go in the other direction.

Mr. Grenier stated he believes that if a Board member wanted to propose an increase or a decrease in one of the funds, that could be done this evening before it is published; however, after the fact anything tied to a millage later on is when the 10%/25% comes in at the "top level versus there is no basement on that."

Mr. Lewis stated his concern is about having some input on the Budget, and he understands that if he wants to make reductions he can do that at a future meeting; and Mr. Ferguson agreed. Mr. Lewis asked if he can make reductions "as much as he likes," and Mr. Ferguson agreed generally that is the case.

Mr. Lewis stated there is a lot in the Budget, and it takes a long time to "digest all of it, and there is not really much open debate around the Budget." He stated he feels the questions asked tonight about the Budget were relatively reasonable.

Mr. Zachary Rubin, 1661 Covington Road, stated he understands the reason to pay off Debt to save the Debt Service; and that if we paid off the Golf Course, that would be close to \$3 million savings in Debt Service and interest payments. He stated in Mr. Ferguson's memo he indicated that the Golf Debt is significant because it can no longer be refinanced, and he asked why it could not be refinanced. Mr. Ferguson stated it has been refinanced eleven times, and it no longer can be legally refinanced. He stated in 2018 before he started with the Township, there was a refinance and a new issuance; and that Golf Debt was refinanced at that time to the maximum allowable time that it could be refinanced which was one year, and that was the last time that they could stretch that payment out. He stated there was a period of years when nothing but interest was paid, and when the principal became due, it was refinanced to push off the principal again which he acknowledged was probably nine times, not eleven; but it can no longer be legally refinanced again.

Mr. Ferguson stated there was a point in time when this was discussed two years ago, and he had provided a chart that showed all the times it had been refinanced, and how it got to the point where it could no longer be refinanced. He stated he would be willing to make that available again; however, Mr. Rubin stated that was not necessary.

Mr. Rubin stated the following new hires are proposed - Fire Services Director, Community Development Director, Planner, Building Code Official, Pool Manager, and Recreation Administrative Assistant. Mr. Ferguson stated the

Community Development Director is not a new hire. He stated four new hires are proposed in the Budget. He stated Mr. Majewski, the Planning & Zoning Director, would become the Community Development Director without a change in pay. He stated the Building Code Official is a re-purposed position, but not a new hire.

Mr. Rubin stated the Township previously had a Finance Director, and he asked who is now doing that work; and Mr. Ferguson stated he is.

Mr. Rubin stated the Electronic Media Advisory Council has been asking for years for a Communications Director to keep the Website, Facebook, and Twitter accounts updated; and he asked who is currently doing that work. Mr. Ferguson stated there is a consultant who is posting items on the Website. He stated they have been discussing have an RFP as far as re-doing the Website and whether that would be a consultant to continue on with that. He stated we use the Township Facebook and Twitter pages more as a bulletin board than for interaction. He stated there are several staff members including the Police Chief, Public Works Director, and the Park & Recreation Director as well as himself who are empowered to post items once they have run those items before him before they are posted.

Mr. Rubin asked Mr. Ferguson if he is the coordinator of updating those communication sites. Mr. Ferguson stated those Department Heads would come to him indicating what they want to put on the page, and he would sign off on it.

Mr. Rubin stated in the Budget there is \$50,000 to upgrade the Website, and he asked where that figure came from. Mr. Ferguson stated they looked at other Townships including Newtown which had updated its Website a number of years ago at a cost of about \$30,000. He stated he has also discussed this with other Township Managers. He stated once an RFP is put out it may come in slightly more or less, and this \$50,000 was a general placeholder that he believed would accommodate upgrades of the scope and scale that they hope to have although that has yet to be determined; and it will be a collaborative process to put that together. Mr. Rubin asked if Mr. Ferguson will generate the RFP, and Mr. Ferguson stated it would be a collaborative process including the Department Heads and the Electronic Media Advisory Council to put that document together. He stated as far as the physical creation, that would be a staff member; however, as to the contents that would be a collaborative process.

Mr. Rubin asked with regard to the \$75,000 software upgrade if they will be getting rid of MuniLogic, and Mr. Ferguson agreed. Mr. Rubin asked if it will be replaced with something that they feel is advantageous, and Mr. Ferguson agreed. Mr. Ferguson added that he has had Mr. Majewski, the Building Inspector, and the Administrative Assistants who would be using it looking at a variety of different presentations of what is available. He noted the \$75,000 is not specific to a company, but it is general price that they are seeing for the needs that are defined that he has talked about in his letter.

Mr. Rubin stated this is something they would have where someone could register for the Pool and other things. Mr. Ferguson stated this would not be for the Pool, and it would be for Building Permits and Code-related Permit issues. He stated all of the companies have an on-going Fee that typically is consistent with \$1 per resident where the information is stored in the cloud, there are upgrades, etc. He stated there would be an initial Installation Fee and then on-going maintenance costs moving forward that would be part of an Agreement. He stated this would go before the Board of Supervisors for final approval before being instituted.

Mr. Lee Pedowicz, 247 Truman Way, stated he has a number of comments about the Budget that he will send to Mr. Ferguson and the Board members. He stated that every meeting they bring up the Budget, and the meeting "drags on;" and he feels that there should be a Special Meeting to just consider the Budget.

Mr. Bryan McNamara, Heather Circle, stated when he was on the Park & Rec Board, the Pool was always breaking even or "a little bit under;" and there was never a surplus of money. He asked if the Revenues have increased enough to afford a full-time Pool Manager given the costs of the salary and benefits. Mr. Ferguson stated it has always been the goal of the Pool, which is an Enterprise Fund, to break even and not rely on taxpayers. He stated while the Pool Manager is an increased cost, the driver of the increased Membership fees is the recommendation to increase the pay of the seasonal staff including the guards, the gatekeepers, etc. because we are finding that the rates we are currently at are not set to attract people we need to work at the Pool. He stated that was a problem at our Pool this year as well as at pools all over the region. He stated 75% of the cost of the of the Pool Manager's pay would be dedicated to the Pool; and if there was a \$50,000 to \$52,000 pay for the Pool Manager, 75% of that cost is \$35,000. He stated in the past we have paid a Pool Manager for their time between \$25,000 and \$28,000 a year so

strictly on pay, the increase to the Pool would be about \$7,000. He stated that depending on the person who is hired, if it is a single person, the cost for health care would be less than if it is someone who has a spouse or children.

Mr. McNamara stated when he was on the Park & Recreation Board, Ms. Tierney was working hard to have Park & Recreation pay for itself with regard to programs; and he asked if that has been happening. He added that he appreciates Ms. Tierney calling him to discuss a number of issues. Mr. Ferguson stated they are getting closer to that number; however, it is not just the cost of programs. He stated we expanded and built a Dog Park, a Community Center, had five acres dedicated from Regency, and there are 500 acres to mow. He noted that in the Budget as outlined some of the Capital costs that would come out of the Park & Rec Budget such as trails, playgrounds, upgrades, etc. he has a goal to take Golf Revenues that will be positive and put \$150,000 a year into the Park & Rec Capital Reserve Fund so that a lot of those costs would be paid for by golfers and not by taxpayers.

Mr. McNamara stated he is in favor of improvements/maintenance done to the Golf Course to maintain it as a top public course.

Mr. McNamara asked if they are setting anything aside to pay legal costs when Shady Brook sues the Township "to get Zoning on their property as well as Mccaffrey and Giant proposing a new development on their sites." Mr. McNamara stated this is "not hypothetical, and they are coming." Mr. Ferguson stated he does not have in the proposed Budget set-aside money for future litigation.

Motion carried with Ms. Blundi, Mr. McCartney, and Dr. Weiss in favor and Mr. Grenier and Mr. Lewis opposed.

Approve Kohls Extended Hours Request

Mr. Ferguson stated in the past Kohls had extended holiday hours approved administratively; but since those hours were part of a Zoning Hearing Board Decision that were set, he felt the appropriate action was for the Board to sign off on those hours. Mr. Ferguson stated in their request, Kohls has the hours that the Chief of Police has coordinated with them; and the hours are consistent with what they have done in previous years.

Dr. Weiss moved and Mr. McCartney seconded to approve Kohls extended hours request.

Mr. Lewis stated he needs to recuse himself from this matter as the applicant "may or may not be a significant client of the company he works for and he may or may not have directly worked on that account."

Mr. Grenier asked Chief Coluzzi if he has any issues with what Kohls has proposed; and Chief Coluzzi stated it is fine and no different from any other year, and there are no significant problems during the holiday season.

Motion carried with Mr. Lewis abstained.

SOLICITOR'S REPORT

Mr. Truelove stated Mr. Ferguson had brought up the ALJ Decision with regard to the Sewer sale.

Mr. Truelove reminded that Board that there had been one legal challenge to the Prickett Preserve Zoning Hearing Board process, and that went to the Trial Court, which had ruled in favor of the Township and Zoning Hearing Board. Mr. Truelove stated an Appeal was made to the Commonwealth Court, but as of Monday that Appeal was withdrawn with prejudice; and as of now there are no more legal Challenges to the Prickett Preserve project.

PUBLIC COMMENT

There was no Public Comment at this time.

SUPERVISORS REPORTS

Mr. Lewis stated the Citizens Traffic Commission will hold a virtual meeting on Monday at 7:30 p.m., and they will be reviewing SAFE Engineers' most recent suggestions in terms of traffic management in the Regency area as well as reviewing a recent traffic-calming request from a citizen.

Mr. Grenier stated with regard to the Electric Reliability Committee, there had been some issues in Yardley Hunt, and they reached out to PECO through the Township Manager to get feedback since there had been poor communication from PECO in terms of the status and cause of a recent outage. Mr. Grenier stated PECO advised the Township that there will be updates next month to their field communication systems; and by May of next year, they will make improvements so that the cause and duration of various outages will come from the field, and there will be areas where they have to fill in the cause of the outage correctly.

PUBLIC COMMENT

It was noted that there was now a caller on line, and Ms. Blundi agreed to hear the caller at this time.

Ms. Lisa Tenney, 156 Pinnacle Circle, stated Mr. Truelove had mentioned Prickett Preserve litigation; and she asked what that was about and how it was resolved.

Mr. Truelove stated at one point during the Land Development and Zoning process for Prickett Preserve, there were three Challenges. He stated two of those were withdrawn and dismissed; however, one proceeded from the Zoning Hearing Board Decision granting Zoning Relief to the Applicants. He stated the Zoning Hearing Board found in favor of the Township and the developer; and the Challenger, Mr. Borda, filed an Appeal to the Court of Common Pleas which is the trial court in Doylestown. Mr. Truelove stated that Judge found in favor of the Township and the developer; and the Challenger then filed an Appeal with the Commonwealth Court, which is the first level of the Appellate Court before the Supreme Court of Pennsylvania for Appeals related to Zoning and Land Development matters.

Mr. Truelove stated there was to be a Hearing this Monday in the Court of Common Pleas on a Bond Hearing, as it is a requirement of the Challenger to post a Bond as part of the Appeal process. He stated on Monday, the Challenger withdrew his Appeal, and the Bond Hearing was rendered unnecessary.

He stated as of now there no more Challenges to any part of the Prickett Preserve process either from a Land Development or Zoning perspective, and they can move forward with the project. He stated what was impeding

them was that given the Challenge, they were unable to obtain all of the necessary financing; but financing will now be available to them because of the lack of any Challenges.

Ms. Tenney asked if some "of the money projected from that will be used in the new Budget," and Mr. Ferguson stated it will not. Ms. Tenney stated she understood that there was money that was being included for the Tree Bank. Mr. Grenier stated it was actually the opposite, and they did not want to project that until they received it.

Ms. Tenney stated there are "market issues too going forward with that project," and while the legal issues "seem to be resolved in favor of developers, there are market issues too in her opinion."

Mr. Grenier asked if there could be a presentation on Prickett Preserve with regard to the timeline since it will be such a big development. He stated Mr. Ferguson did provide him with an e-mail earlier today as to what he felt it might be, but he would like a presentation so people might have an indication as to when ground may be broken and there is construction on the streets. Mr. Ferguson stated Mr. Grenier sent him an e-mail yesterday, and he provided him with most of the answers but wanted to wait to speak with Mr. Deluca this morning regarding the March date that he had given Mr. Grenier. He stated Mr. Deluca expects that it will be March, although it could be prior to that if Permits are obtained earlier. He stated this would be ground-breaking and grading and not the Building Permits which would be issued subsequent to that. Mr. Grenier stated since a number of people may be interested in this, it might be able to be "covered in five minutes at a future meeting."

There being no further business, the meeting was adjourned at 10:50 p.m.

Respectfully Submitted,

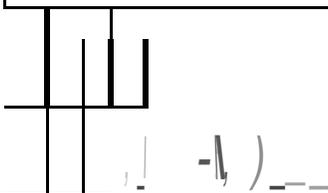


John B. Lewis, Secretary

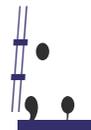
**LOWER MAKEFIELD TOWNSHIP
BOS MEETING - 11/17/2021**

A/P WARRANT LISTS	11/1/2021		11/15/2021		TOTAL
	PRINTED CHECKS	MANUAL CKS/WIRES	PRINTED CHECKS	MANUAL CKS/WIRES	
Fund					
01- GENERAL FUND	206,969.72	5,713.54	137,936.27	5,278.21	355,897.74
02- STREET LIGHTS	51.90		2,665.02		2,716.92
03- FIRE SAFETY					-
04- HYDRANTS			215.95		215.95
05- PARK AND RECREATION	29,804.44	1,614.76	20,689.68		52,108.88
06- P & R FEE IN LIEU					-
07- RECREATION CAPITAL RESERVE					-
08- SEWER	642,737.66		67,600.31		710,337.97
09- POOL	7,655.31	19.95	1,831.75		9,507.01
11- TRAFFIC IMPACT					-
15- GOLF COURSE				218,115.00	218,115.00
18- SEWER CAPITAL PROJECTS	57,550.78		512,882.29	500.00	570,933.07
19- SPECIAL PROJECTS	18,308.36		8,007.45		26,315.81
20- DEBT SERVICE					-
21- REGENCY BRIDGE			46.00		46.00
30- CAPITAL RESERVE	18,157.95		178.50		18,336.45
31- POOL CAPITAL RESERVE FUND					-
32- TREE FUND	18,068.65		3,925.00		21,993.65
35- LIQUID FUELS			19,755.35		19,755.35
36- ROAD MACHINERY FUND			17,221.62		17,221.62
40- 9/11 MEMORIAL	806.32		5,400.50		6,206.82
45- PATTERSON FARM	1,153.79		2,460.00		3,613.79
50- AMBULANCE/RESCUE SQUAD			3,000.00		3,000.00
84- DEVELOPER ESCROW	46,296.66		9,943.01		56,239.67
91- UNEMPLOYMENT					-
	1,047,561.54	7,348.25	813,758.70	223,893.21	2,092,561.70

OCTOBER 2021 PAYROLL AND INTERFUND TRANSFERS	
Fund	
01- GENERAL FUND OPERATING TO PAYROLL ACCOUNT	989,901.88
GENERAL FUND OPERATING TO 401A DEFINED CONTRIBUTION PENSION PLAN ACCOUNT	10,961.70
GENERAL FUND OPERATING TO POLICE PENSION	527,701.08
GENERAL FUND OPERATING TO 9-11 MEMORIAL FUND	10,000.00
60- POLICE PENSION FUND TO D.R.O.P. ACCOUNT	4,882.74
	1,543,447.40



Fredric K. Weiss



Daniel R. Grenier

