

TOWNSHIP OF LOWER MAKEFIELD
BOARD OF SUPERVISORS
MINUTES – FEBRUARY 17, 2010

The regular meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on February 17, 2010. Mr. Smith called the meeting to order at 7:30 p.m. Mr. Maloney called the roll.

Those present:

Board of Supervisors: Ron Smith, Chairman
 Greg Caiola, Vice Chairman
 Matt Maloney, Secretary
 Dan McLaughlin, Treasurer
 Pete Stainthorpe, Supervisor

Others: Terry Fedorchak, Township Manager
 David Truelove, Township Solicitor
 James Majewski, Township Engineer
 Kenneth Coluzzi, Chief of Police

PUBLIC COMMENT

Mr. Geoff Goll, 5 S. Homestead Drive, apologized to the Board for his outbursts at the last meeting even though he did not agree with the Board's decision to reduce the Budget for the Police Department. He stated since that meeting he e-mailed a number of people in the area about the fact that the Police Department needs additional money for their radio repairs; and as a result he was able to raise approximately \$600 to help the Police. He presented a check this evening to the Lower Makefield Township Community Foundation which he asked be earmarked for the Police Department.

Mr. David White, Gale Drive, stated last evening the Zoning Hearing Board unanimously denied the request to construct a cell tower on the Brookside Swim Club property. He stated he and the members of REACT applauded that decision. He stated they recognize that because of the foresight of the Board of Supervisors and the establishment of the Overlay Cell Tower District, they were able to keep the character of the neighborhoods. He stated they also appreciate the outspoken support of many of the Supervisors which they feel was helpful in the Zoning Hearing Board decision, and they hope that going forward the Board will continue to relentlessly defend the use of the Overlay District and keep cell towers out of the residential neighborhoods.

which is expenses are jumping all over as opposed to being able to maintain a steady expense side of the income statement which would allow for a more stable revenue side as well. Mr. McCloskey stated in three years, they will go up to where the Township is now, and they would have to balance that for the next three years so that they are not hit with a large increase. Mr. McCloskey stated they looked out for the next few years, and looking at the Budget for 2011 and 2012, there is some maneuvering that can be done within the funds. He stated the way the debt service is structured, in 2010 there will be a healthy balance in the debt service fund if they add another \$150,000 to \$200,000 per year for the next three years, and there could be a significant fund balance in debt service which would help the Township in other areas.

Mr. Caiola stated he originally preferred taking the savings over a period of time because it is easier to Budget, and then they would be saving more in the long run; but he now agrees it would not be a bad idea to have a "nest egg" for a few years and balance it out so that by the time the economy might turn around in general, the Budget situation will be a little easier to deal with.

Mr. Walker noted Page 12 which relates to the Golf Course piece. He stated the existing debt service is shown in column 7. He stated they will sell this as one issue; but he is explaining it as two different pieces since one is the Golf Course, and the other is General Fund related. He stated this piece would save \$318,000 if they took the savings over time; and if they took them up front over the next three years, it would save \$278,000 after expenses. He stated this is shown on page 13. Mr. Walker stated if they made the decision to take the savings up front on the other issue, it does not influence the Board's decision on this one; and they are independent decisions. He stated they can lock the savings in if the Board is willing to move ahead at their meeting on March 3.

Mr. Fedorchak stated there is another potential refinancing in August, but legally they cannot move forward on that at this time.

Mr. Walker stated financial information has been submitted to Moody's as they need a Moody's rating. Wednesday of next week a call will be made between himself, the Township staff, and Moody's to discuss some additional items, and there will be a credit rating by next Friday. He stated they are suggesting that there be a competitive sale via an Internet auction which they have done in the past with Lower Makefield. He stated they have tentatively scheduled an auction for 1:00 on March 3 provided the Board wants to move ahead. He stated they will have a winner by 1:30 p.m. and they will then re-run the numbers based on the winning bid and be prepared to meet with the Board that night at their regular meeting. Mr. Closser will have an Ordinance prepared which will accept the winning bidder; and if the Ordinance is enacted, the savings are locked in. He stated if the interest rates were to spike and they lose a lot of the savings, they do not have to move ahead on March 3.

Mr. Closser stated they have prepared a preliminary Resolution authorizing PFM and the Township solicitor to take the steps described this evening for a bond sale on March 3.

Mr. Stainthorpe moved to proceed with the Resolution as presented to the Board.
Mr. Caiola seconded.

Mr. McLaughlin asked if they have to make a decision this evening on the scenario they want whether they are going to proceed with the up front savings or not, and Mr. Walker stated they do since that will effect the structure of the principal maturities which the bidders need to know.

Mr. Caiola withdrew his second.

Mr. Stainthorpe stated he feels they should take the savings up front as much as they can since there is an immediate need for the funds. He stated the toughest years will be the next couple years, and the savings will be the most valuable to the Township in those years. Mr. Smith agreed.

Mr. Maloney stated he does not feel they know which savings are greater since they are not on time value of money adjusted as one is \$513,000 over ten years and the other is \$400,000 over three years and this would need to be done on a PV basis for the Board to really know which is greater than the other. He stated he feels it would be appropriate to take the savings up front with regard to the Golf Course, but with regard to the Debt Service Fund for the Township, he feels the annual savings of \$40,000 per year makes more sense. He stated over the next ten years, he feels the Country will go through another recession, and this would be more responsible management as opposed to a short-term solution. He stated taking the savings over the entire span of time allows the expense level to come down evenly. He stated Mr. McCloskey already indicated that there is a cash surplus in that fund, and it continues to operate in a position where that savings will allow padding to be built over time. He stated there would be a more predictable expense, and he feels it is more sound management; and in terms of long-term planning, it makes more sense for the Township to reduce the expenses in a level amount over time.

Mr. McLaughlin asked if these savings will allow the Township to offset some of the recent discussions about safe harbor and the General Fund, and Mr. McLaughlin stated it could allow them at the end of 2010 and 2011 to move funds to get into safe harbor. He stated they have the ability to transfer between funds and take millage from one fund to another as was done in the last Budget. He stated they are looking at the 2010 Budget and into the 2011 Budget and could use this to make sure the Township remains in safe harbor.

Mr. Zachary Rubin, 1661 Covington Road, stated the original Golf Course Bond of \$16 million was basically an interest-only Bond for the first five years. Mr. McCloskey stated this was true for the first two years, and they had a very small principal payment in year 3 and then it became a steady stream. Mr. Rubin stated he feels that five to six years ago that Bond was refinanced, and Mr. McCloskey stated this was done in 2005.

Mr. Rubin stated when they did the refinancing, half was fixed and half was variable, and Mr. McCloskey agreed. Mr. Rubin asked if it will still be structured in that way if they refinance it, and Mr. McCloskey stated it is only the fixed piece that they are discussing refinancing. It is not the variable piece.

Mr. Rubin stated five years ago when they did refinance, the Board at the time added some other capital projects on the refinancing including a fire truck and architectural fees for the Senior Center put into the refinancing; but Mr. McCloskey stated this is incorrect, and it was a separate Bond Issue. Mr. McCloskey stated the 2006 issue had money for a fire truck. He stated this 2006 issue refinanced a small piece of the 2003 issue and had new money for the sewer, fire truck, and some other capital projects. Mr. Rubin asked if the principal is being paid down every single year, and Mr. McCloskey stated there are principal payments every year.

Mr. Joe Menard, 917 Putnam Drive, asked if the savings are before or after costs of issuing the bonds, and Mr. Walker stated they are after. Mr. Menard asked if the savings are front loaded or weighted over the bonds, does this have an impact on the interest rate to the buyer; and Mr. Walker stated if you take the savings up front, this means there is a little bit less principal up front on the Bond Issue and a little more on the back end, and to the extent you have a little more principal on the back end, the rates are higher, but it is not significant. Mr. Menard asked if they will be able to bid it both ways, and Mr. Walker stated they will not, and the Board needs to make a decision on the structure and this is how they will bid it.

Mr. Ethan Shiller, 367 Lang Court, asked once they get the savings from the debt service, could they not transfer this to the General Fund Balance to keep them above safe harbor. Mr. Fedorchak stated he does not feel they can legally transfer Debt Service monies to the General Fund. Mr. McCloskey stated they could reduce the millage in the next Budget. Mr. Fedorchak stated this would be similar to what was done this year where they lowered the Park & Rec fund, and increased the amount in the General Fund for 2010 which is how they were able to take the extra money from Park & Rec and transfer it into the General Fund. Mr. Shiller asked if they could do it mid-year, and Mr. Fedorchak stated you could not since you are fixed into your tax rates. He stated they would address this in the 2011 Budget.

Mr. Harold Koopersmith, 612 B Wren Song Road, asked the total indebtedness of the Township at the present time, how much is fixed and how much is variable. Mr. McCloskey stated there is approximately \$37,500 in debt with approximately \$10 million being variable. Mr. Koopersmith stated he feels the Board should take all the debt and go out as long as they can at a fixed rate, and he would not have any variable rates. He stated interest rates are going to go up in the future.

Mr. McLaughlin asked if the interest rate is variable. Mr. Walker noted page 7 and stated the dollar interest to be paid to the bondholder every six months is fixed. He noted column 4 and stated the blends of the maturities times the respective rates will give the fixed interest. Mr. McLaughlin asked if there is an exposure to rising interest rates, and Mr. Walker stated this is a fixed rate.

Mr. Stainthorpe made a Motion to move forward with a Resolution as presented proceeding with the schedule to have the up front savings. Mr. Caiola seconded. Motion carried with Mr. Maloney opposed.

**DISCUSSION AND AUTHORIZING ADVERTISEMENT OF ORDINANCE
AMENDING THE PROVISIONS OF THE RESPONSIBLE CONTRACTOR
ORDINANCE BY ELIMINATING THE CLASS “A” APPRENTICESHIP PROGRAM
REQUIREMENT**

Mr. Stainthorpe stated there was significant discussion about this matter at the last meeting.

Mr. Stainthorpe moved and Mr. McLaughlin seconded to authorize advertisement of Ordinance amending the provisions of the Responsible Contractor Ordinance as presented by the Solicitor.

Mr. Zachary Rubin, 1661 Covington Road, stated the current Ordinance as it stands is not pro-Union or anti-Union; and the apprentice program should not be discussed in terms of it gives favor to a Union shop versus a non-Union shop. He stated it has to do with quality of workmanship. He stated an apprenticeship program results in a quality product.

Motion carried with Mr. Caiola and Mr. Maloney opposed.

DISCUSSION OF PRESERVATION OF PATTERSON FARM

Mr. Stainthorpe questioned why this was on the Agenda since he felt at the last meeting they had asked the Historic Commission to discuss this and then come back to the Board. Mr. Smith stated some issues did come up.

Mr. Zachary Rubin stated he believes that the property does not have 100% easements on it.

Mr. Smith stated there has been some question as to whether all of Patterson Farm is preserved in perpetuity as farmland; and before they consider selling anything or doing anything further, they may want to consider a Resolution to insure that it is preserved as farmland. Mr. Caiola stated they were discussing the Satterthwaite House, and they wanted to make sure that the area that is farmable remains farmable as long as there are people willing to farm it. He stated there was discussion some time ago as to whether or not all of the area was officially preserved, and they wanted to make sure there were no questions in the future. He stated they are still planning to have the discussion on the Satterthwaite House when the Historic Commission comes back with their findings.

Mr. Stainthorpe stated he does not have a problem with a Resolution stating that this will always be farmland. He stated there was a previous discussion that in some places the County also owns the development rights. He stated he feels this was used as a campaign issue and some were stating that Patterson Farm was not really preserved. He stated he disagreed with that theory at that time, and disagrees with it now. Mr. Stainthorpe stated a future Board could decide to do something different with those pieces that are not in dual ownership, and if the Board wanted to pass a Resolution preventing that, he would be okay with this. Mr. Stainthorpe stated he does not feel the County would be willing to pay money for the rest of the land, and Mr. Maloney stated they could have an arrangement for a \$1 transfer. Mr. Stainthorpe stated if it were this simple, he would be willing to discuss it.

Mr. Truelove stated he cannot provide an answer on this tonight. He stated a Resolution, while it does speak to the sentiment of the current Board, could be undone by Resolution of a succeeding Board. Mr. Maloney stated he would be in favor of Mr. Truelove doing a quick review to see if this is the only issue; and if it is the only issue, to come up with a simple arrangement where for \$1 they would make a transfer of title. The Board members were in favor of this, and Mr. Truelove agreed to report back at the next meeting.

Ms. Virginia Torbert, 1700 Yardley-Newtown Road, stated this issue was addressed extensively in the Patterson Farm Stakeholders Report. She stated only about 76 acres of the farm are actually restricted because County money was used. She stated that is the only part of the Patterson Farm that is “preserved,” and the rest of the Farm is not

preserved. She stated they recommended in the Report that the Township consider selling the development rights to a higher authority which in this case would be a combination of the State and the County so that the land would be preserved in perpetuity, and it would not depend on a future Board passing a subsequent Resolution. Ms. Torbert stated Mr. Marshall researched the matter and found that there was not a lot of enthusiasm at the County or State level for paying a lot of money for development rights for this particular farm since there is limited money, and they would rather give that money to individual landowners rather than to Townships. She stated this does not preclude the Township from selling the development rights for \$1 if the purpose is to truly preserve the Farm as a farm.

Mr. Smith stated Mr. Truelove will look into this and report back to the Board.

APPROVE GRANTING CERTIFICATE OF APPROPRIATENESS FOR TEMPORARY CONSTRUCTION SIGN

Mr. Caiola moved, Mr. Maloney seconded and it was unanimously carried to grant a Certificate of Appropriateness for a temporary construction sign at 1730 Langhorne-Yardley Road.

ZONING HEARING BOARD MATTERS

With regard to the Makefield Woodside, LLC, for property located at the northwest corner of Stony Hill and Langhorne-Yardley Roads, requesting Variance to permit less than required automobile stacking at each of the two drive-thru teller lanes and Variance to permit less than the required parking spaces to serve proposed delicatessen/sandwich shop and ice cream store at same location, it was agreed that the Solicitor should participate to make sure that certain issues are addressed.

With regard to the Dogwood Drive LP, 301 Oxford Valley Road, for the proposed Subdivision of property located at Dogwood Drive near Delaware Rim Drive, where the Applicant requests Variances to permit minimum front yard setback of 30' and minimum rear yard setback of 45' rather than the required minimum 40' front and rear setbacks for five single-family dwellings, it was agreed to leave the matter to the Zoning Hearing Board.

With regard to the Mr. & Mrs. Christopher Mauro, 1218 Evergreen Road, Variance requests to permit construction of an entry portico encroaching into the front yard setback and construction of an addition resulting in greater than permitted impervious, it was agreed that the Solicitor should participate since there are some calculation issues which need to be clarified.

SUPERVISORS' REPORTS

Mr. Maloney stated the Park & Recreation Board met and they were approached by a member of the Disabled Persons Advisory Board; and it was agreed that it would be worthwhile to have someone from Park & Rec review the Plans for the various parks that have been discussed with Disabled Persons Advisory Board to consider if there are certain elements that have not been considered as many of the Plans were made before the Disabled Persons Advisory Board was formed.

APPOINTMENTS

Mr. Caiola moved, Mr. Stainthorpe seconded and it was unanimously carried to re-appoint the following:

- Cable TV Advisory Council – Zachary Rubin
- Disabled Persons Advisory Board – Lisa Huchler-Smith and Dave Rogers
- Park & Recreation – Fran McDonald
- Planning Commission – Tony Bush

Mr. Rubin asked that a Motion be made to change the Cable TV Advisory Council to the Electronic Media Advisory Council. Mr. Stainthorpe agreed to deal with this under Other Business.

OTHER BUSINESS

Mr. Stainthorpe moved, Mr. Caiola seconded and it was unanimously carried to change the name of the Cable TV Advisory Board to the Electronic Media Advisory Committee. Mr. McLaughlin asked if this will change the scope of that Committee; and Mr. Stainthorpe stated it will as cable is fairly settled, and there are other things they can consider such as making better use of the Township Website and Township TV Channel.

Mr. Smith commended the Township employees for how they handled the recent snow storms. Mr. Fedorchak stated in the most recent snowstorm they had sixteen Township employees and 16 contractors working 40 hours straight over Wednesday and Thursday to maintain the roads and get them clear. He stated a Snow Emergency was in effect during that period of time that was lifted Friday morning. He stated a Snow Emergency means that they are asking the residents to stay off the roads during this period of time as they are not safe to travel on, and for the most part they did get cooperation. Mr. Smith stated they did get some concerns from people in the north end of the Township;

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and Mr. Fedorchak stated in the north section of the Township, they are prone to constant drifting. He stated their crews were there for many hours making more than one pass, but two to three hours later, they had to go back out to clear it again.

There being no further business, Mr. Maloney moved, Mr. Caiola seconded and it was unanimously carried to adjourn the meeting at 8:57 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Matt Maloney', written in a cursive style.

Matt Maloney, Secretary



Township of Lower Makefield

BOARD OF SUPERVISORS
 Ron Smith, Chairman
 Greg Caiola, Vice-Chairman
 Matt Maloney, Secretary
 Daniel McLaughlin, Treasurer
 Pete Stainthorpe, Supervisor

**FEBRUARY 2010 WARRANT LISTS AND
 JANUARY 2010 PAYROLL COSTS FOR APPROVAL
 FEBRUARY 17, 2010 BOARD OF SUPERVISORS MEETING**

2/01/2010 Warrant List	\$ 729,607.96	
02/16/10 Warrant List	358,536.23	
Manual Checks	02/01/10 108,760.00 02/16/10 0.00	
Total Warrants & Prepays		\$ 1,196,904.19
<u>PAYROLL COSTS:</u>		
January 2010 Payroll	224,614.65	
01/10 Payroll Taxes, etc.	133,678.80	
Total Payroll Costs		\$ 358,293.45
TOTAL TO BE APPROVED		\$ 1,555,197.64

