

TOWNSHIP OF LOWER MAKEFIELD
BOARD OF SUPERVISORS
MINUTES – NOVEMBER 20, 2024

The regular meeting of the Board of Supervisors of the Township of Lower Makefield was held in the Municipal Building on November 20, 2024. Mr. Lewis called the meeting to order at 7:57 p.m.

Those present:

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

Others: David W. Kratzer, Jr., Township Manager
 Maureen Burke-Carlton, Township Solicitor
 Isaac Kessler, Township Engineer
 Kenneth Coluzzi, Chief of Police

COMMUNITY ANNOUNCEMENTS

Mr. Lewis stated during this portion of the Agenda residents and youth organizations may call in to make a special announcement or may contact the Township at admin@lm.org to request a special announcement be added to the Agenda. There was no one wishing to make a special announcement at this time.

Mr. Lewis stated if you have some free time on the weekends and would like to volunteer your time, you can join the Friends of the Five Mile Woods Clean-Up days. They are held the second Saturday of the month at the Five Mile Woods starting at 8:30 a.m. Please come in comfortable clothes that you do not mind getting dirty and bring along your work gloves and water to stay hydrated. Projects for the day will include litter clean-up, trail lining, and pruning. If you have any questions, you can e-mail Monica Tierney at monicat@lmt.org.

Mr. Lewis stated the Yardley Farmers Market will be at the Community Center, 1550 Oxford Valley Road, Yardley, PA 19067 from 10:00 a.m. to 12:00 p.m. on Saturday, December 7, 2024 and Saturday, December 21, 2024.

Mr. Lewis stated Lower Makefield Township and Yardley Borough will be hosting an e-Waste Recycling Event on Saturday, December 14, 2024 from 9:00 a.m. to 12:00 p.m. at the Pool at LMT, 1050 Edgewood Road, Yardley, PA. Additional information and the link to register can be found on the Township Website Calendar at www.lmt.org.

Mr. Lewis stated Lower Makefield Township will be hosting another Blood Drive for the Red Cross on Friday, December 20, 2024 from 12:00 p.m. to 5:00 p.m. in the meeting room at the Township Building. To sign up or get more information log onto RedCrossBlood.org and enter Sponsor Code: LowerMakefield. Mr. Lewis stated if you are not available on December 20, there are other dates and times that you can schedule on-line.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Ms. Larissa Lizeckyj, Lower Makefield resident, and Ms. April Bollwage-Cloer, Lower Makefield resident, were present. Ms. Lizeckyj stated they want to thank the Township for the time, effort, and expense they dedicated to rebuilding their yards. She particularly thanked Mr. Fuller. Ms. Cloer stated she is now able to have a yard that her child can play in, and she thanked Mr. Fuller as well.

Ms. Hannah Lora McKenna, 1001 Wood Street, asked the chances of getting a stop sign at Wood Street and W. Ferry because of the traffic. She stated W. Ferry is the problem. Ms. McKenna stated she called the Township, but they could not help. Mr. Lewis suggested that Ms. McKenna bring this issue up with the Township's Citizens Traffic Commission which will review the request; and if necessary, have a Traffic Study performed and then make a recommendation to the Board of Supervisors. It was noted that W. Ferry is not a State road.

Ms. McKenna stated the problem is that it is used instead of Trenton Road. She stated W. Ferry is totally straight with only one stop sign, and people are driving very fast. She stated she could start a petition; however, Mr. Lewis suggested that she contact the Citizens Traffic Commission first. Mr. Grenier stated Mr. McKenna could go to the Citizens Traffic Commission's page on the Township Website and fill out the information regarding her traffic concern or she could go to the next Citizens Traffic Commission meeting which will be held on December 16 at 7:30 p.m. and bring up her concern at that meeting. He stated the Commission can provide guidance.

Mr. Tim Bryan, 104 W. Ferry Road stated he lives three houses away from the one stop sign between Pennsylvania Street and Big Oak Road. He stated vehicles are leaving the stop sign and passing his house at 50 miles an hour in a 25 zone. He stated he has been in his home for ten years; and he has talked to his neighbors in the area who indicated that they have been trying for years to get the “city to put in speed tables so that people who speed will have their undercarriage taken out of their car.” He stated they indicated they keep hitting a “brick wall with the city.” He is concerned about the safety of children in the area.

Mr. Lewis stated the Citizens Traffic Commission often does speed reviews. He stated with regard to enhanced enforcement that would limit our Police force’s ability to adequately serve the community; however, the Chief may ask for additional enforcement in the area.

APPROVAL OF CONSENT AGENDA ITEMS

Ms. Blundi moved, Mr. Grenier seconded and it was unanimously carried to approve the Consent Agenda items as follows:

- Approved the Minutes for the November 6, 2024 Meeting
- Approved the Warrant List dated November 20, 2024 in the amount of \$522,198.30 (as attached to the Minutes)
- Approved the September, 2024 Treasurer’s Report
- Approved the September, 2024 Interfund Transfers in the amount of \$824,284.55 (as attached to the Minutes)
- Approved the October, 2024 Treasurer’s Report
- Approved the October, 2024 Interfund Transfers in the amount of \$885,459.67 (as attached to the Minutes)
- Accepted the Resignation of Matthew Connors from the Lower Makefield Township Zoning Hearing Board
- Authorized the Township Manager to execute the Side Letter Agreement between the Township and the Lower Makefield Township Police Benevolent Association relating to Mandatory Member Pension Plan Contributions for 2025 and 2026
- Authorized the Chair to execute the Separation (Retirement) Agreement and General Release between the Township and Chief of Police
- Approved Payment Certificate #2 in the amount of \$624,169.27 for the 2024 Road Program

Approved Payment Certificate #2 in the amount of \$19,300.75 to M & S Erosion Control, LLC for the 2024 Tree Planting
Approved Payment Certificate #1 in the amount of \$19,109.00 to Landis/Bonfitto Mechanical for the replacement of the Police Detectives air conditioning unit
Approved Financial Security Release #5 in the amount of \$50,487.52 for Regency-Carriage Homes Phase 3 (remaining amount following the Release is \$112,725.93)
Approved Financial Security Release #6 in the amount of \$95,557.50 for Regency-Carriage Homes Phases 4 and 5 (remaining amount following the Release is \$95,557.50)

ENGINEERS

Approval of the Professional Services Agreement with Contech Relating to the Design of the Culvert for the Highland Drive Culvert Project

Mr. Kessler stated the first Agreement that they had submitted was for the aluminum arch; and at previous meetings the direction was revised, and this is for the precast concrete which the Board preferred. The cost is a lump sum fee in the Agreement for Contech of \$12,000, and that will allow them to fully design and finalize the precast concrete culvert to have included in the Bid package.

Mr. Ross moved and Mr. Grenier seconded to approve the Professional Services Agreement with Contech relating to the design of the culvert for the Highland Drive Culvert Project.

Mr. Grenier stated he understands that this is also the recommendation of staff, and Mr. Kratzer agreed.

Motion carried with Ms. Blundi abstained.

General Project Updates

Mr. Kessler stated with regard to the Highland Drive Project, PA American Water had not kept to its schedule; however, they are moving to completion on the work they are doing in the roadway. He stated they are finishing the lateral

connections for the re-located water line which will complete the underground work in Highland Drive itself. He stated his office continues to work with the Township solicitor for the Easement Agreement at 1 Highland Drive.

Mr. Kessler stated with regard to the Woodside Road Bike Path Project, the old utility poles have been removed. He stated we are waiting to hear about a Grant opportunity which was submitted to DCED for the trail. He stated we have the approved scope for the contractor to complete. Mr. Kessler stated he will continue to coordinate with staff as to the timeline on when the work can proceed.

Mr. Kessler stated with regard to the Taylorsville Road Improvements Project which includes sidewalk, curbs, and stormwater along Taylorsville Road, there was a utility coordination meeting on November 12. He stated they are looking to schedule preliminary meetings with DCNR and PennDOT which are the two Permitting agencies involved in the project. The project is on pause until the results of the Grant are known.

Mr. Grenier asked if there is any indication when the Grant award will be announced for the Taylorsville Road Project, and neither Mr. Kratzer nor Mr. Kessler were aware of this. Mr. Kessler stated they did receive word that this month's meeting was canceled, and they are not scheduled to meet again until January. Mr. Grenier asked if there is a Southeast Region contact person, and Mr. Kratzer stated he will reach out to the contact he has to see if he can get more details.

Mr. Grenier asked with regard to the Woodside project for an update on the fencing/wall. Mr. Kessler stated they did field verification, and they have the lengths where the fence is needed. He stated at Ms. Blundi's direction, they looked at the area west of the Clearview intersection as well. He stated they plan to review with the contractor the areas where there may be sight distance limits where there are intersections and drive-ways. Mr. Grenier stated the original fence was to start at the corner of Taylorsville and Woodside and go up the hill to Clearview. He stated there was the basin where they were going to do a stretch on the other side of the path because it is steep there. He asked about what will be done after you get past Clearview as there was discussion about the distance from the edge of pavement to the path and whether that also necessitated an extension of the fence. Mr. Kessler stated the direction they received was that where it is less than the recommended 5' grass buffer, they would look to have safety fencing for the trail users, and that will be shown on the Plan which will be shared with the Board.

Mr. Grenier asked if there are many stretches that are less than 5'. Mr. Kessler stated the longest stretch is from Clearview down the hill to Taylorsville, and there are about three to four other stretches where it is less than 5'. He stated the majority of it from the Golf Course to Hayfield is 5', but there are some segments where it is less than 5'. Mr. Grenier asked if there is a 5' or 10' gap between two stretches that might be 100' long that are less than 5' are they being left open space or are they being connected. Mr. Kessler stated they would likely make it contiguous so it is not choppy.

MANAGER'S REPORT

Approval of Resolution #24-26 Authorizing the Submission of an Application for a Statewide Local Share Assessment Grant for Patterson Farm Master Plan Implementation in the Amount of \$969,181

Mr. Kratzer stated the Township staff has been working with the Patterson Farm Master Plan Implementation Committee to refine the scope of the Application. He stated the maximum amount under the Grant is \$1 million. Based on what was itemized from a cost perspective in the Master Plan, this is as close as possible to that \$1 million.

Mr. Ross moved, Ms. Blundi seconded and it was unanimously carried to approve Resolution #24-26 authoring the submission of an Application for a Statewide Local Share Assessment Grant for Patterson Farm Master Plan Implementation in the amount of \$969,181

Approval of the General Engagement Letter from Foster & Foster for Actuarial Services

Mr. Kratzer stated this relates to periodic valuations that are necessary in accordance with the relevant GASB standards concerning the cost associated with post-employment benefits that are offered by the Township.

Mr. Grenier moved and Mr. Ross seconded to approve the General Engagement Letter from Foster & Foster for actuarial services.

Mr. Lewis stated Governments can get in trouble if not properly making sure that there is enough money for pensioners, and it is important for the Township to know exactly where they stand, and if additional funding is needed.

Motion carried unanimously.

Approval of Kohl's Extended Hours Request for the 2024-25 Holiday Season

Mr. Kratzer stated this request is consistent with prior years' requests. He stated the Police Department has reviewed the request, and Chief Coluzzi stated that there is no issue and no objection.

Ms. Blundi moved and Mr. McCartney seconded to approve Kohl's extended hours request for the 2024-25 Holiday Season.

Mr. Lewis stated that in the past he has been in favor, against, and abstained; however, he will vote in favor of this since Thanksgiving is not included in the request.

Motion carried unanimously.

Mr. Kratzer stated the reason this comes before the Board is because there was a Condition of Plan approval to have certain operating hours, and they are asking for a slight modification.

Adoption of the 2025 Preliminary Budget and Authorize It To Be Made Available For Public Inspection

Mr. Kratzer stated the Board has been discussing the 2025 Budget and the Department Heads have come before the Board to discuss their funding requests and present their respective Departmental Budgets.

Mr. Kratzer stated one of the primary sources of Revenue the Township receives to fund and finance services are Real Estate Taxes which do not adjust with inflation. He stated they are established by multiplying the millage rate, which is set by the local taxing authority, times the property assessment, which is outside of the purview of the Board of Supervisors, and is the responsibility of the County Government.

Mr. Kratzer stated in Pennsylvania, based on best practice, the general recommendation would be for Counties to re-assess properties every three or four years; however, it is not uncommon for re-assessments to take place

more in the twenty to twenty-five year horizon. He stated the primary purpose of re-assessment is to insure that all taxpayers are paying their respective fair share as it relates to the services that they enjoy.

Mr. Kratzer stated in Bucks County assessed value is 6.7% of market value, and the basis for that is determined by the Pennsylvania State Tax Equalization Board. He stated Bucks County last underwent a County-wide re-assessment in 1972, which is 52 years ago. He stated in 1972 when they did the assessment, the County used the pre-determined assessment ratio of 25% of 1972 value, and and they changed that to 100% in 2005; however that was 100% of 1972 values, and they were not re-established values.

Mr. Kratzer stated Bucks County has the lowest assessment value to market value in Southeastern Pennsylvania, and has the second lowest assessment value to market value in the Commonwealth of Pennsylvania. He stated Bucks County's last re-assessment was in 1972 resulting in an assessment to market value of only 6.7%. Montgomery County's last assessment was in 1996 with an assessment to market value of 35.5%, Chester County's last assessment was in 1998 with an assessment to market value of 36%, and Philadelphia County, which has on-going assessments, has an assessment to market value of 100%. He stated the last assessment in Delaware County was done in 2021, and they have an assessment to market value of 65.8%; and that re-assessment was compelled by litigation.

Mr. Kratzer stated Pennsylvania Municipalities that are not governed by Home Rule Charters are subject to Statutory caps in terms of the millage rates, and the caps have not been adjusted since 1960. He stated Second Class Townships like Lower Makefield Township have a 14-mill cap on Real Estate Taxes for General Purposes, and that is the primary Revenue source of our primary Operating Account, which is the General Fund. He stated our current General Purpose Millage rate is 13.88 mills. He stated if a County-wide re-assessment were done, that process is required by Statute to be Revenue neutral, and it would compel us to re-adjust our millage rate down to an equivalent rate based on new assessments. He stated because of 52 years of not doing re-assessments, Lower Makefield finds itself at its Statutory cap as it relates to General Purpose millage. He stated if a re-assessment were done, you would re-adjust down; and you would have additional space between what the current equivalent rate of millage would have to be relative to the Statutory cap.

Mr. Kratzer stated this issue is not unique to Lower Makefield; and since a County-wide re-assessment has not been done, it is a challenge for both communities that levy an Earned Income Tax and Municipalities that do not. He added that Lower Makefield Township is one of the few communities in Bucks County and probably the largest full-service Municipality in Bucks County that does not currently levy a local Earned Income Tax.

Mr. Kratzer stated as discussed over a number of years, there still remains a deficit in the General Fund, and this year's deficit is currently shown at \$965,120.00. He stated that would be closed by utilizing the unallocated Fund Balance which is permissible to be done. He stated the Budget in the General Fund does include a one-time Revenue transfer of \$1 million from excess Sanitary Sewer Revenues. He stated there were Operating Revenues that were remaining in the Sanitary Sewer Fund at the time that the Township sold its system to Aqua Pennsylvania.

Mr. Kratzer stated with regard to General Purpose millage, the current draft proposes an increase from 13.88 mills to 16 mills; and since 14 is the Statutory cap, there is a provision in the Statute that permits increasing by up to 5 mills above the cap with Court approval. He stated if the Township were to move in this direction, it would have to petition the Bucks County Court of Common Pleas to exceed the General Statutory cap.

Mr. Kratzer stated with regard to Special Purpose millages, the Budget proposes increasing the Road Improvement millage from its current rate of 2 mills to 4 mills. He stated there is a .1 mill increase in the Special Purpose Fire Tax contemplated, but that is offset by a .1 mill reduction in Debt Service as Debt Service is falling off.

Mr. Kratzer stated in the Golf Fund, which is an Enterprise Fund, the current Budget shows the borrowing of \$1,500,000 for Capital projects. He stated the Debt Service that was inserted into the Draft Budget was based on a fifteen-year level Debt Service structure. The Operating Revenues of the Course can support the Debt Service even with the outflows from the Fund. He stated there are line items currently in the Draft for Debt Service to implement and advance critical Capital projects at the Course like the pond liner that the management company discussed as well as driving range projects, etc.

Mr. Kratzer stated when the Township sold the Sanitary system, there were proceeds that were generated from that sale; and the decision at that point was to put those proceeds into the Lower Makefield Township Trust, and

the initial deposit after paying off the Debt Service from the Sanitary system and the Debt Service on the Golf Course totaled about \$21 million. He stated to date the earned interest on the \$21 million Trust corpus is approximately \$4 million. He added that under the Trust Agreement interest distributions are permissible starting January 1, 2025. He stated the current draft does not currently contemplate a distribution for the Trust, but the Board should discuss that.

Mr. Kratzer stated if the millage rates that are currently reflected in the draft Budget were levied by the Board of Supervisors with the average Residential assessment in Lower Makefield being \$43,600, the total proposed millage rates including both the General Purpose and Special Purpose millages would be 27.17. He stated the current rate is 4.12 mills less than that, and the total Township Property Tax bill based on that noted average Residential assessment if the Board were to proceed forward as proposed in the draft Budget is \$1,184.61 which would be a \$179.63 increase.

Mr. Kratzer stated there are no proposed changes to the Leaf Assessment Fee or the Street Lighting Assessment.

Mr. Kratzer noted there are three primary taxing authorities that levy Property Taxes – the School District, the County, and the Township; and a slide was shown of the average Tax bill based on the average Residential assessment. He stated 78 cents of every dollar of Property Tax goes to the School District, 11 cents of every dollar goes to the County, and the Township, if the proposed changes were adopted, would also be at 11 cents of every dollar.

Mr. Kratzer stated the Fire Tax increase contemplated of .1 mill is largely necessary because of the hiring of one additional employee. He stated we are also looking at doing a Joint Fire Services Study with Yardley Borough which will look at staffing, governance, funding, etc.; and the Board could potentially hold off on that until the conclusion of that Study.

Mr. Kratzer stated Chief Coluzzi has indicated that there are two existing vacancies and other vacancies are contemplated within Police staffing. The draft Budget allocates resources for the replacement of six Patrol Officers in the fourth quarter of 2025 so the full cost would not be borne in 2025. Mr. Kratzer reminded the Board that Chief Coluzzi had indicated

that there are challenges with recruitment and the hiring process of Police Officers. Mr. Kratzer stated this is not an expansion of the force, and what is proposed is looking at replacement of Officers.

Mr. Kratzer stated with regard to the Pool Fund, the Budget includes the hiring of a full-time Aquatics Manager or a Seasonal Manager; and the cost in the Budget is based on the hiring of a full-time Aquatics Manager which is a position that the Township had previously had and is currently vacant.

Mr. Kratzer stated any hiring decision or major Capital project will be brought back to the Board of Supervisors before proceeding regardless of whether it is budgeted or not.

Mr. Kratzer stated the Township was awarded funding through the Pennsylvania Department of Community and Economic Development to do a Phase 1 STMP Plan (Strategic Management Planning Program) which would look at financial trends and projections on a multi-year basis, and then would look for management and operational efficiency recommendations as well. He stated the Board needs to decide if they want to breach the 14 mill Statutory cap now or use additional Fund Balances pending the outcome of the STMP process. He stated if the Board waits, the urgency in which some of the recommendations may need to be pursued will likely be more urgent since we are tapping into our "savings."

Mr. Kratzer stated the Board also needs to consider if the Road Improvement millage should be increased to facilitate additional 2025 projects. He stated Mr. Fuller had previously indicated that we are somewhat behind as we have a significant roadway infrastructure, and the roadway network requires continuous investment. He stated if the Board wants to advance additional projects, they need to consider the Road Improvement millage; and if the decision is to forego any increase, it would result in less projects being implemented.

Mr. Kratzer stated with regard to the Fire Tax, the Board needs to decide if they will proceed with hiring the one additional employee now which would require the .1 mill increase in the Special Purpose Fire Tax or wait until after the Joint Fire Service Study with Yardley Borough is completed.

Mr. Kratzer stated Board direction is also needed with regard to the Trust as to whether there is any interest in distributing some of the interest earnings on the Trust which is permissible by the Trust Agreement.

Mr. Kratzer stated the Board also needs to consider the Golf Fund. He stated when the Sanitary system was sold, the Golf Course Debt was paid off; and the Golf Course is in a position at this time to cover the Debt Service associated with the Debt issuance. He stated they would propose a different structure than the co-mingled structure that previously existed, and they would probably look at bank loans so that they would not be incurring interest cost on borrowing before projects are able to be implemented.

Mr. Kratzer stated if the Board is inclined to conditionally adopt and authorize the proposed Budget to be made available for public inspection it would be subject to the incorporation of any agreed upon changes made by the Board of Supervisors. He stated the public inspection period is Statutorily required to be a minimum of 20 days, so that if action is taken tonight, any changes would be incorporated, and the public inspection process would start on November 27. He stated that would run through the Board's meeting on December 18 when the Budget would be presented to the Board for consideration of final adoption. Mr. Kratzer stated if action is not taken this evening, a special meeting would likely need to be scheduled between Christmas and New Year's Eve to adopt the Budget in order to meet the minimum 20-day public inspection process.

Mr. Grenier moved and Mr. Ross seconded to adopt the 2025 Preliminary Budget and authorize it to be made available for public inspection.

Mr. McCartney asked what would happen if the Board were not able to get this approved at a special meeting between Christmas and New Year's. He asked if there could be a Government shut down at the local level, and Ms. Carlton agreed. Mr. McCartney asked if there would still be essential services like Police and Fire, and Ms. Carlton agreed.

Mr. McCartney asked how it is possible to still have a deficit if we are increasing taxes. Mr. Kratzer stated that is the reason he discussed the importance of a County-wide re-assessment as not having had that has created a challenge for Lower Makefield and other full-service Municipalities. He stated we are required to make additional investments in services, and because there are caps, we are pulling from our General Fund.

Mr. McCartney asked if the Budget looks at any Budget cuts at all in any Department. Mr. Kratzer stated while there are reductions in certain areas, largely in a Municipal Budget, there is not a lot of discretionary spending; and most of what money is spent on is contractually obligated for labor-related costs in terms of delivering services. He stated in terms of

meaningful reductions, you would have to reduce scope of service which would result in the reduction of personnel. Mr. McCartney asked if that has been considered; and Mr. Kratzer stated it has not at this point, but it could be considered.

Mr. Grenier noted the number of Studies being conducted at this time that are aimed at helping the Board make decisions on the Budget, and we have a new Finance Director/CFO starting soon. He stated there are also other topics the Board has discussed that could lead to additional Revenues. He stated this Budget contemplates new hires and expanding certain things before those Studies come in. He asked without having a fundamental impact on Government services, safety, etc. how many of these increases, new hires, etc. could be held off until after we have information from these Studies, and then address those in the 2026 Budget using the information from the Studies.

Mr. Kratzer stated in terms of additional hires, the only new position that is currently reflected in the Budget is the Fire-related employee that was discussed by Mr. Chamberlain. Mr. Kratzer stated as noted we are looking at doing a Fire Services Study with Yardley Borough. He stated the Yardley-Makefield Fire Department is a volunteer Fire Department providing coverage to multiple jurisdictions. Mr. Kratzer stated part of the job of the new employee is to provide daytime response support for fire instances, and we do not control where that might be needed. He stated there could be discussion about waiting on that until there is some determination in terms of governance structure as to how that will proceed forward including how the entities will fund fire services moving forward. He stated of the contributions that are going to the Yardley-Makefield Fire Company, disproportionately those contributions are coming from Lower Makefield; and if there are employees who are providing regional service, there should be some regional cost sharing in that response.

Mr. Kratzer stated another hire contemplated is at the Pool which requires some sort of management although it does not necessarily require a full-time aquatics manager. He stated the Pool has 7,000 to 8,000 members so it needs supervision beyond young adults as there is risk associated with that. Mr. Kratzer stated the other hires are replacement hires within the Police Department, and Chief Coluzzi had contemplated 25% of the cost of six Officers; however, it is unlikely that we will hire and onboard six Officers in 2025.

Mr. Grenier asked about putting a freeze in 2025 on any new hires or replacement hires until after the Studies are completed knowing that in 2026 we will be contemplating new hires/replacement hires based on the outcome of the Studies. Mr. Kratzer stated while the Board could do that, we are going to have to have some supervision at the Pool. Mr. Kratzer stated with regard to the Police Department, two of the vacancies already exist; and there are other circumstances that have reduced the number of Officers who are available to respond. Chief Coluzzi stated two vacancies occurred in 2024, there will be two vacancies in 2025, and there will be three confirmed vacancies in 2026 and possibly more in 2026 since there are more Officers who are eligible to retire than have stated that they will retire. He stated at minimum there will be seven by the end of 2026.

Mr. Grenier stated with regard to the Trust, he recalls that part of the reasoning behind setting up the Trust was so that starting in 2025 some portion of the interest could be used to supplement the General Fund for issues like this. He asked if there is a reason to not use that interest for the General Fund; and Mr. Kratzer stated there is not, and it is permissible.

Mr. McCartney asked what they anticipate the interest will be in another year on \$4 million if it is not used. Mr. Ross stated it would depend on the market, and 3% to 5% of \$25 million would be three-quarters of a million to \$1.2 million. Mr. Grenier stated if we were to take \$1 million, there would be \$24 million left, and we would still get a return on the \$24 million. Ms. Blundi stated there is already money left over from the Sewer sale that we are taking under the proposed Budget. Mr. Grenier stated he wants to see what the Studies tell us as to how we might do things differently before we take steps in a certain direction.

Mr. Kratzer stated if the decision of the Board is to take an interest distribution from the Trust, they would not need to do that on January 1, 2025; and it could be accessed in the event of need.

Mr. Ross asked how much Revenue we would get from the Tax increase as proposed going to 16 mills; and Mr. Kratzer stated based on a \$553 million taxable assessment, which is generally what we are at right now, the 2.12 additional mills would generate about \$1.15 million at full face. Mr. Ross stated if we took \$1.15 million out of interest, we would not have to raise property taxes, and Mr. Kratzer agreed we could stay at the current rate of 13.88 mills. Mr. Ross stated the purpose of selling the Sewer system was to help the residents and not raise the taxes so he would be in favor of that.

Mr. McCartney stated we would still be looking at a \$2 million deficit this year since we are doing a 1.1 mill tax increase and a \$900,000 borrow. Mr. Ross agreed that the deficit is still an issue. Mr. McCartney stated it is an Operational deficit not a Debt deficit. Mr. McCartney asked if they cannot come up with any efficiencies from an Operations standpoint. Mr. Kratzer stated that is part of what the STMP process will look at including structure and how we deliver services including looking at regionalization, etc. Mr. McCartney asked if we should be making decisions prior to seeing that Study, and Mr. Grenier agreed. Mr. Kratzer stated the Study will look at the Expense side and the Revenue side including the ability to distribute some of the Operating costs.

Mr. McCartney asked if the Board decides to spend money on something that is not in the Budget could money be used from the Fund rather than put it in the Budget where you would have to do it. He stated he would rather not have it in the Budget, and if the Board decides to do something, they would spend the funds to do it. Mr. Kratzer stated that would be permitted if it was the consensus of the Board.

Ms. Blundi stated she is not interested in taking out new Golf Debt since well-meaning Debt was taken out in the past, and it just kept getting re-structured. She would be in favor of a solution that avoids that if possible. Mr. Kratzer stated he does not know how they would advance Capital projects at the Golf Course without the incurrence of Debt. He stated the pond liner project was discussed and funds are being spent on irrigation costs to buy public water. Mr. McCartney stated if the Golf Course can generate the revenue to cover the Debt structure, the costs would not come out of the General Fund.

Mr. Kratzer stated there is also \$455,000 that is transferred out of the Golf Fund back to the General Fund to repay subsidy, and this is the last year for that. He stated there is also \$75,000 that is going to the Golf Repayment Fund. He stated his understanding is that the intent was that once the subsidy was repaid for the period of time when the Township's General Fund was supporting the Debt Service for the Golf Course, that would continue in perpetuity. He stated the payment of the Golf Debt was enabled by the sale of the Sanitary system in the amount of \$15 million in debt, and an amortization schedule was created with a \$75,000 pay back, which would mean they would be paying that back for some time; and the thought was to accelerate that and take that \$75,000 number and increase it by the \$455,000. He stated the Golf Course is generating profit before the out transfers of between \$800,000 to \$1 million so the Debt Service is able to be accommodated by the Fund irrespective of the out transfers depending

on continued profitability of the Golf Course in terms of rounds of play, etc. He stated if they need to reduce the outflow to the General Fund by \$100,000 to cover the \$100,000 Debt Service payment, there would be a lot of space between what their existing expenses are and where they are at.

Mr. McCartney asked what the Debt Service would be, and Mr. Kratzer stated year one they were contemplating an interest payment of \$68,000 and it would ramp up to a high of \$150,000. He stated Mr. Attara had provided a list of Capital projects. He stated with the proposed pond liner, since they are currently spending \$100,000 to \$120,00 a year, it would probably result in a net cost of \$30,000. Mr. McCartney stated there is no specific millage increase for the Debt Service for the Golf course, and Mr. Kratzer agreed adding that the Golf Course in theory is intended to be an Enterprise Fund in which customer charges are covering the cost of the operation. He stated he understands that there was a reduction in rounds during the global Pandemic..

Mr. Grenier stated the current Budget contemplates going over the cap, and there is a process associated with that. He stated labor charges go up every year as a result of our Contracts so at some point we will have to go above the cap. Ms. Blundi asked if the Board chooses to go above the cap, how far could it eventually go up. She stated at some point it would have to stop, and we would still be back to the structural deficit.

Mr. Grenier stated he hopes that as a result of the studies being conducted, we will find a way to make things better and we will find other ways to fund our services. He stated we could also ask the County to do a re-assessment, and we could try to force that through the Courts. He stated we might also have options to go to a different type of Township for re-classification that would give us more flexibility. He stated with guidance from the staff as to what absolutely needs to be done, he would lean more toward taking a pause now wherever we can; and then see what comes out of the studies and make a plan for moving forward.

Mr. Kratzer stated our taxable assessment increases on average by less ½% a year, and normal cost increases are at least 3%. He stated the Township is largely built out, and we are dealing with assessments that are based on information that is 52 years old. He stated as a result we are at 13.88 mills.

Mr. Grenier stated the request to the Court of Common Pleas to go above the 14 mill ceiling would focus just on that request, and the Court of Common Pleas would not go to the County and tell them they have to do a re-assessment.

Ms. Blundi thanked Mr. Kratzer for the way this was presented as it makes it clearer to the residents what is paid to the Township, the County, and the School District. Ms. Blundi stated if there was to be a re-assessment, taxes would increase because the assessment on the homes would go up, and the Township would be able to generate realistic Revenue to provide all of the services that we have to provide.

Mr. Kratzer stated while there is discussion about discretionary spending at different levels of Government, that discretionary spending is not at the Township level of Government; and most of this is related to people who are required in order to deliver services. He stated if there is an expectation of service, these are the undiscretionary costs associated with providing those services. He stated there has been normal course reduction in expenses from health insurance to IT costs to being more diligent as it relates to our professional service providers.

Mr. Lewis stated we are mainly discussing the General Fund, and 41% of the General Fund is Police expenses, and public safety is paramount. He stated we also have 100 miles of road, tremendous Police and public safety support, and world-class Parks and Recreation; and the value for the service is there. He stated the challenge is the cap. He stated while no one likes raising taxes, he would rather raise taxes now than make the problem worse in the future. He does not want to create a situation where we have not addressed the deficits that we have, and he wants to make sure that we are fully funding our Government. He stated the sooner we start raising property taxes to get the money needed to reduce the Operating Deficit, the easier it will be in the long run. He stated if we do not raise property taxes now, the problem only gets worse, and more money will need to be taken from the Trust next year; and he believes all of the Board wanted to keep that as tightly as possible for rainy days for the future. Mr. Lewis stated this problem could have been addressed in the past few years, but we did not; and we desperately need to do that and raise property taxes now.

Mr. Lewis stated if we do not do this, we will get to the point where the only option becomes an Earned Income Tax. He stated one of the benefits of Lower Makefield in comparison to other communities is that we do not have an Earned Income Tax which means that our overall tax burden at the local level is one of the lowest in Bucks County.

Mr. Lewis stated after reviewing the Studies, we may consider options that change us from a Second Class to a First Class Township which would remove the 14 mill cap and replace it with 30 and would end most of this problem and combine that potentially with a re-assessment which would make it easier to fund our operations. He stated the Board needs to be responsible with the public's money not just for those here now, but also for those who will be here in the future. Mr. Lewis stated if the millage is increased, it will allow us to build an excess fund balance to cover issues that may arise in the future. He stated he would be in favor of asking for more millage than the Budget anticipates since in the long run it would be better for our financial stability, and we would still be one of the lowest taxed Municipalities in Bucks County because we do not have an Earned Income Tax.

Mr. McCartney moved and Ms. Blundi seconded to Table.

Mr. Ross asked that the Board continue to discuss the matter. Mr. Lewis stated he would prefer not to have to schedule a meeting during the last week of December, and Mr. Ross agreed. Mr. McCartney stated we could carry it over to next year, and there would not be a Government Budget in place. Mr. Kratzer stated he has never been involved in a situation where that was done. Mr. Lewis stated that would be far less responsible than properly increasing taxes. Mr. McCartney stated he does not feel it is responsible to increase taxes and still have a deficit. Mr. Lewis stated he argued for a higher property tax increase which he feels is the most responsible outcome in terms of making sure that there is not a structural deficit. He stated if this is done now, next year there will not be an argument over a structural deficit; however, Mr. McCartney disagreed.

Ms. Blundi stated she feels some people may be in favor of the EIT if the property taxes are lowered. She stated if we became an EIT Township, it does not mean the property taxes have to stay where they are now, and it might result in lowering peoples' property taxes because we would be generating more from the 1% EIT. She stated this is why she felt this should be Tabled. Mr. Lewis asked Ms. Blundi if she is asking to initiate an Earned Income Tax; and Ms. Blundi stated it has been discussed before but the "homework" on it was not done, so she could not advocate for that tonight. She stated this is why she was in favor of getting the outside consultant to come in since they would look in an objective fashion as to what can and could not be done. She stated she is waiting for that information, but she does not feel the answer is to go above the cap now and next year everything will be great since she does not feel the cap will make

everything great next year since she does not feel the cap will generate the \$1 million we are taking from the Sewer proceeds that sits outside the Trust. She stated while it will help, it will not solve the structural deficit.

Mr. McCartney asked what would happen with the Budget if there was a hiring freeze across the board in 2025. He stated if a hire was needed, the Board could approve it during a Board meeting. Mr. Kratzer stated with regard to the Fire Fund, it would remove the .1 mill increase if the hire was eliminated. He stated with regard to the full-time Aquatics Manager, which is outside of the General Fund, the salary was \$75,000 plus cost of benefits of approximately 30% so that would be \$100,000. Ms. Alison Stewart stated with regard to the six Police Officers, the net increase to the Police Fund is about \$30,000 in 2025 given that the retirees next year have a higher rate of pay. Mr. Kratzer stated moving forward at full cost, it would be higher.

Mr. Ross stated there are a lot of Studies going on, and we do not know what the outcomes will be. He stated the Township is in a difficult position and concessions have to be made, but we do not know what any of them are. He stated he feels we should wait until all the Studies go through to see where we can save money.

Mr. Ross moved to leave the Tax Millage the same, do the Road Improvement, wait for the Study to come in for the Fire, and skip the Golf right now because we can vote on that later during the year if something needs to be done. Instead of raising the millage to 16, we do a Trust Interest distribution for whatever the difference is so that we can move forward until we can figure it all out.

Mr. Ross stated the reason the Sewer was sold was to help the taxpayers, and this is not taking all of the money, and it is taking roughly 25% of the interest earned so far.

Mr. McCartney stated he feels that this is perpetually “kicking the can down the road.” Mr. Ross stated while he agrees, there are a lot of Studies going on at this time. Mr. McCartney asked why they do not wait until the Studies are done, and then determine what we are going to; and Mr. Ross stated that is what he has proposed. Mr. McCartney stated we are still at a deficit doing that. Mr. Ross stated unless we are going to get rid of people, we are not generating the savings. Mr. McCartney stated his question was why that had not been studied. Mr. Ross stated that is what several of the Studies are going to look at, and we will also have a new Finance Director.

Mr. McCartney asked if there is anything that can be trimmed from an operations and efficiency standpoint. Mr. Kratzer stated there are and they have already been contemplated, and he noted the costs spent on IT. Mr. McCartney asked how long we have known about that and should it not have already been taken care of. Mr. Lewis stated three years ago the Board had chosen a much-higher IT service provider without going through a Bid process. Mr. McCartney stated we have therefore been overspending on IT for the last three years, and Mr. Lewis agreed. Mr. Lewis stated he had made mention of the fact that we were overspending on IT previously.

Mr. McCartney stated he still feels it makes no sense to increase taxes but still have a deficit, and Mr. Lewis stated that is why he made his argument. Mr. McCartney stated he does not know if we are spending our money wisely. Mr. Lewis asked Mr. McCartney what he would like to remove. Mr. McCartney stated he feels Mr. Kratzer should be giving the Board his recommendations on that. Mr. Lewis stated there has been a Budget deficit for years so he feels that we are doing something wrong, and he feels that operationally we are not running as efficiently as we need to given what we bring in every year. Mr. Lewis stated the discussion tonight is how to address that. He stated if the suggestion is to wait on hiring Police Officers, that does not result in that big of a cost savings, and it places us in jeopardy for hitting the Force levels that we need to hit because of the difficulties in hiring. He stated if we are going to focus on cost cutting of things that are outside of the General Fund, that does not solve the cap issue.

Mr. Lewis asked Mr. McCartney if he is still concerned about going above the 14 mills; and Mr. McCartney stated he is concerned that we are operating at a level that we cannot afford, and he feels we need to cut Operations. Mr. Lewis asked which Operations in the General Fund should be cut, and Mr. McCartney stated Mr. Kratzer was put in his position to make those decisions and give the Board a Budget that balances. Mr. Kratzer stated the full potential of generating Revenue with the Property Tax is \$7.7 million dollars at 100%, and the Township spends more than that in the Police Department alone. He stated there is over \$2 billion of community earnings in Lower Makefield Township and a ½% of EIT is \$10 million; and while he is not advocating for it, that is a tool that the Board has available to fund Township services. Mr. Kratzer stated while he can advise the Board on the tools available, the Board has to make the decision. Mr. Kratzer stated there is not a lot of redundancy in the Township Operations, and there are constraints. He stated if they want to reduce the Budget by \$1 million, it will involve laying off people, and there are consequence to that decision.

Mr. McCartney asked if that has ever been done in the past, and Ms. Blundi stated she believes that in 2008 there were a lot of lay-offs that we still have not recovered staff from. Mr. Kratzer stated he has heard that there were a multitude of people in the Township Main Office, but he does not see any current redundancy. He stated the only places where he sees people having similar positions are the Police Department which is normal to have multiple Patrol Officers and in the Public Works Department.

Mr. Kratzer stated we have saved \$500,000 in health insurance costs since he has been with the Township, but costs do go up and there is normal inflation on health insurance of 7% to 10%. He stated then we have assessments that are growing at less than 1%.

Mr. Lewis stated Real Estate Taxes do not automatically inflate, and they are increasing by 1% which is not increasing by inflation. He stated our expenses are increasing by inflation, and Mr. McCartney stated he understands that. Mr. Lewis stated if that is the case, you have to raise your Real Estate Taxes. Mr. Grenier stated over the last years he believes the Real Estate Taxes have gone up around 10 mills. Mr. McCartney stated it appears that over the next ten to fifteen years it will go up another 10 mills.

Mr. Grenier stated it is unfortunate that these Studies are not done as they could provide us with tools that could be applicable. Mr. Kratzer stated we were waiting for funding in order to proceed with the Study, and we leveraged \$30,000 in external funding in order to support the planning effort that probably should have been done some time ago. He stated they will identify trends based on the past and projections moving forward, and they will identify all of the things that the Board has been discussing including an EIT and every Special Purpose Tax that is permissible under the Statute.

Mr. Lewis asked Ms. Stewart what the total Revenue is across all of the Funds, and Ms. Stewart stated she believes it is about \$32 million. Mr. Lewis stated what we are talking about today in terms of Property Tax differential is \$1 million or \$2 million, and as a percent of \$33 million, it is not a large percentage. He stated the sooner we get active on this and solve that for the General Fund, the better we will be in the long run. He stated he does not believe that we can find \$1 million in our General Fund, but he is open to dialogue with those who want to make suggestions. He stated he does feel strongly about the roads and public safety.

Mr. Grenier stated he sees 2025 as a transition/information year; and over the years, he and Mr. Lewis have asked about long-term plans. He stated at some point in 2025 we will have more information coming out of the studies being done, and we can move forward with a good plan and the 2026 Budget will look much different. He stated he does not feel he wants to go through the Courts at this time to go above the cap when we have resources that will not hurt us as a stop gap measure, mainly the interest from the Trust, as well as seeing where we could pull back on some expenses. He stated he would be in favor of what Mr. Ross is proposing.

Mr. Lewis stated he disagrees adding that if taxes are not raised now, it gets harder next year. Mr. Ross stated he feels raising everyone's taxes right now is "kicking the can down the road," and that has been happening for the last thirty to forty years. He stated he feels we should not just raise taxes but decide what we can do to fix the problem, and take steps in 2025 to address this. Mr. Lewis stated we already have one of the smallest Governments in Bucks County as far as a Municipal Budget. He stated there are other Townships in Bucks County that have an EIT, and they are also up against the General Fund cap. Mr. McCartney asked how that happens, and Mr. Kratzer stated it happens when you do not do re-assessment of property for fifty years. He stated the average Residential assessment in Lower Makefield Township is \$43,600, and you cannot buy a single-family home in Lower Makefield Township for \$600,000 to \$800,000.

Mr. McCartney asked what that \$179 additional per household would generate in additional Revenue, and Mr. Kratzer stated it would be about \$1.1 million. Mr. McCartney stated we would also be borrowing \$1 million from the fund and taking \$1 million from the Sewer sale; however, Mr. Kratzer stated the Trust distribution was not contemplated in the Budget presented. Ms. Blundi stated Mr. Ross has proposed swapping out the Real Estate increase and substituting the borrowing from the Trust. Mr. Ross stated \$1.1 would be coming out of the Trust and \$835,000 would be coming out of the Sewer Fund. Mr. Lewis stated if they took the 13.88 mills and increased that by 6% that would be 15 mills and is over the cap. Mr. Lewis stated he would be okay with 16 mills but would prefer to go higher. He stated next year after the Studies are done, we may have realized operational improvements and would not have to increase taxes next year even though inflation continues.

Mr. McCartney asked the cost of going through the Court process to raise the cap. Ms. Blundi stated it was indicated that in Delaware County someone made a challenge and forced a re-assessment. She asked if it is a Municipality that does that or an individual, and Mr. Kratzer stated generally it is a property owner. He stated a house built in 1999 with the same market value as a house built in 2023 would have a substantially different Tax bill. He stated that the new developments are proportionally paying more taxes than someone who has an older home. Ms. Carlton stated to go to the Court of Common Pleas to increase the cap millage would cost several thousand dollars, and it would take some time. Mr. McCartney asked about the success rate, and Ms. Carlton stated while she has not done this personally, she feels that the success rate is fairly high if you have the right documentation. She stated the documentation would be that there is a deficit which is effecting the health, safety, and welfare of the residents.

Mr. Grenier asked if we go to something over 14 this year, and next year we are still over 14, do we have to go back every time; and Ms. Carlton stated you would only have to go back if you are asking for a decrease or an increase from what was approved.

Mr. Kratzer stated in order to generate \$2 million but avoid the one-time Interfund transfer/distributions, they would need to raise the millage by 4 mills which would probably be 18 mills. Mr. Kratzer stated there was a 2 mill increase on the Road Improvement, and the Board could decide to delay that. He stated he has experience with a Municipality that levied a Stormwater Fee, and since the roadway system is part of the conveyance system, there is the ability to have additional resources to invest in the roadway through another means other than Property Tax.

Mr. McCartney asked what is holding up that process since that has been discussed previously, and Mr. Kratzer stated in part it is the cost associated with implementation of going through the Fee process. He stated there would need to be a discussion as to whether they were going to establish an Authority or do it direct. He stated Lower Makefield is a second Class Township so we have the ability to do that. He stated prior counsel was concerned about a pending West Chester case, and that stalled some of the conversation. He stated he feels that it is clearly permissible in the Second Class Code and it is in the Authorities Act. Mr. McCartney asked if there are companies that do this, and Mr. Kratzer stated HRG, the company we are using for our Stormwater Ordinance, has established the most Stormwater Authorities in the Commonwealth of Pennsylvania. Mr. McCartney

asked if the STMP will do a cost analysis of bringing in a company like that, and Mr. Kratzer stated it would. He added if that is a recommendation of the STMP Program and is pursued, the implementation cost associated with the Fee implementation could potentially be a Phase 2 STMP Project so we could get that 50% paid through a Grant in order to do it. He stated the intention was to have the Study done prior to this Budget cycle, but we had submitted our Application, and the Commonwealth only had so much resource so they did not fund it until their next fiscal year. He stated if the decision is to pursue this sooner, the Board could do that; however, the Township would incur the cost. He stated the cost is recoverable, so that once you establish the Fee, you can re-capture implementation costs; and you would just be out the money on a short-term basis. Mr. Kratzer stated it would cost about \$100,000 to \$140,000 for a Municipality of our size in order to go through the process, do the analysis, capture the impervious surface area data necessary to have a defensible Rate Schedule, and that could be done tomorrow if that is the consensus of the Board. He stated his thought was to use the STMP as a conduit to have broad-based discussions amongst the governing body to make informed decisions in a way that you are not boxing yourself in when some other solution may make sense, but the Board might feel that could not do it because they had done something else already. Mr. Grenier stated he does not want to take an action that is opposed to what might be a better action moving forward, and Mr. Ross agreed.

Mr. McCartney asked what would be the estimated income stream for this, and Mr. Kratzer stated that would depend on what the Rate Schedule looks like. Mr. McCartney asked if it is known on average what other Municipalities are getting from this, and Mr. Kratzer estimated \$30 per quarter times 12,000 households. Mr. Grenier stated Commercial areas with larger impervious areas would pay more. Mr. Kratzer stated that would be part of the discussion. He stated his prior Municipality had a tiered structure based on impervious surface data.

Ms. Blundi stated what the Board is discussing is how to manage impervious surface and the run-off and establishing an entity that would collect a Fee with some of that Fee being used for roads. She stated the money would not be coming from some other Governmental entity, it would be coming from the residents and the businesses in Lower Makefield.

Mr. Kratzer stated there are a multitude of consulting companies that can do this work, and he just mentioned HRG because he was familiar with them. He stated he understands that RVE just did similar work in Middletown, and Mr. Kessler agreed that their offices have worked with a number of Authorities and Municipalities that are looking at this. He stated at their last meeting, Middletown had that under consideration for their Budget, and over the last few months his office has helped them compare what other Towns have done for a Fee structure and what would work for their Township. He stated what they are considering are caps on the Residential Fee and the Commercial side has a Fee scale depending on the size of the parcel. He added they are looking at capping the Commercial as well. He stated for a Township the size of Middletown, the estimated Fee Income annually would be \$1.7 million for Residential and Commercial.

Mr. Kratzer stated the community that he came from is generating close to \$3 million, and they are slightly smaller in population size to Lower Makefield. He added that policy decisions need to be made since it depends on what you are trying to accomplish with the Fee. He stated some communities establish Fees to meet minimum compliance obligations under Permits and some may use it in a broader-based fashion.

Mr. Grenier stated the general idea behind that type of Fee is geared toward some of our more expensive infrastructure – culverts, pipes, stormwater basins, etc. He stated a lot of that infrastructure in Lower Makefield is old and requires a lot of maintenance, and the Fee helps cover the maintenance and failures so that there is money available without having to dip into the General Fund. Mr. Kratzer stated in Susquehanna Township they were looking at the extent of sub-surface infrastructure, which while not a Permitting or Regulatory compliance issue, it is a quality of life/planning issue. He stated if you want to incorporate Capital replacement of the sub-surface infrastructure which is aged in the Township, it has an impact on the function of the system as well as the integrity of the roadway. He stated a decision has to be made by the Board as to what they want the Revenue generated to cover which will impact the Fee structure.

Mr. Lewis stated this is just like a Property Tax in that you are asking for more money from people. Mr. McCartney stated you are asking for money for a specific thing where the Property Tax is being put into the General Fund. Mr. Lewis stated that is where 41% is used for public safety.

Mr. Grenier asked if we could see an alternative approach to compare and contrast that could be voted on at a future meeting without having to schedule a special meeting at the end of the year. Mr. Kratzer stated there are policy choices; and while he can give the Board recommendations, there are choices that need to be made by the Board.

Mr. Ross asked if he amends the Motion with changes that the Board agrees on could that be put to a vote tonight, and the Board agreed. Mr. Lewis stated it seems that some Board members want 14 mills to be the cap; however, some Board members indicated they wanted it to be 13.88. Mr. Lewis stated going up .12 mills would be de minimus. Mr. Ross stated there are a lot of changes that are going to be made in 2025, but we do not know what those changes are. He stated he does not want to raise taxes and then find out we will be raising money some other way and that raising taxes this year was a mistake. He questions if we would lower the Property Taxes next year. Mr. Lewis stated potentially we could lower millages depending on what the results are of the Stormwater Management Fee. He stated he feels that the same reticence that some members are having tonight about raising Property Taxes will appear next year when we talk about Stormwater Management Fees. He stated his advice is to address the situation now although he understands that no everyone wants to go all the way.

Mr. Ross stated he wants to make an informed decision, and right now he cannot make an informed decision on raising taxes because he does not know where it will fall next year. He stated he agrees that we need to raise money some other way, but he does not know what that other way is. Mr. Lewis stated that is not allowing for inflation-rate increases. Mr. Ross stated he understands that argument; however, as he noted, when the Studies come back, the Board may decide to proceed with a Stormwater Fee, an EIT, etc. and then we would have a surplus. He stated he doubts that the Board will decide to lower everyone's taxes. Mr. Lewis stated there are Municipalities that have done that. Ms. Blundi stated she believes we did cut taxes in 2020. Mr. Lewis stated to get to that point, we would have to cover the deficit first. Mr. Ross stated he is recommending that we do the Trust distribution rather than raising taxes since he felt that the Board at that time set up the Trust so that we would have that money to help the residents out in times like this.

Mr. Lewis stated the economy is booming and inflation is down; however, other Board members disagreed. Mr. Lewis stated next year the economy could be worse, and at that time it will be harder to make the decision to raise taxes when the economy is in worse shape.

Mr. Lewis stated he understands that a majority of the Board does not want to go above 14 mills. Mr. Ross stated his thought is that changes have to be made and we are actively working on making those changes, but we do not yet know what those changes are going to be or how they will affect the Budget or the Township. He stated the intent of the Sewer sale was to help residents out in difficult times and to get out of Debt Services. He stated he is not in favor of getting back into Debt Service at the Golf Course. He stated he also feels that we should take 25% of the Interest from the Trust to get through 2025 so that we can make the changes needed.

Mr. Lewis stated the Sewer sale's direct impact on everyone is far more than what is being discussed today. He stated next year there will be 35% increases from Aqua. He stated the Sewer sale did not solve our problems. Mr. Ross stated Mr. Lewis is saying that the Sewer sale was a bad idea because it was not an informed decision, and that is what he is advocating for tonight. Mr. Lewis stated he is saying that it was a bad decision because we selected the worst of the three Bidders and "left money on the table." He stated we would have been better off either retaining the system or selling it to Bucks County Water and Sewer. Ms. Blundi stated Bucks County Water and Sewer did not submit a Bid within the requirements of the publication. Mr. Lewis stated we would also have been better off with PA American Water.

Mr. Ross moved to adopt the 2025 Preliminary Budget with the following Amendments: That we do not raise current tax millage, that we do the Road Improvement millage, we do not do a Fire Tax increase at this time and wait for Studies to be completed. The difference in the Tax rate that was proposed be pulled out of the Trust interest distribution account, and that we do not do the Golf Fund Debt Service.

Mr. Kratzer stated this would mean that they would approve the Road Improvement Special Purpose millage increases by 2 mills, that there be no General Purpose Tax increase, and it would stay at 13.88 mills, whatever the expected Revenue generation amount planned for from the General Purpose rate increase be planned for but not necessarily executed would come from distribution from the interest from the Trust not the corpus to generate that equivalent revenue, and that there would be no Debt Service on the Golf at this point.

Mr. Ross stated with regard to Golf, the Board could always vote separately to do the pond. Mr. Kratzer stated that would be true for some of the other Capital items that had been noted.

Mr. Kratzer stated Mr. Ross' Motion also includes that there would be no increase in the Special Purpose Fire until the Study is done on Fire Services.

Mr. McCartney asked if this Motion still takes into consideration the \$1 million transfer from the Sewer Sale proceeds. Mr. Ross stated that is approximately \$800,000. Mr. McCartney stated it would also be \$1 million from the Trust and no increase in General Purpose millage; and Mr. Ross agreed, understanding that the Board will have to do something next year. Ms. Blundi stated while there will be no increase on the millage from the General Fund, there will be an increase if this is approved because we are going to dedicate more money to improving roads in the amount of 2 mills additional for road improvements. Mr. Kratzer stated based on the average Residential assessment of \$43,600, 2 mills would be a cost of \$87.20. Ms. Blundi stated we are taking interest from the Trust as was anticipated at times when necessary. She stated we are still going to have to face the structural deficit issue in 2025.

Mr. Grenier asked what the Motion is relative to the Road Program, and Mr. Ross stated it is to go from 2 mills to 4 mills since we are already behind on the Road Program.

Ms. Blundi asked when the new Chief Financial Officer starts, and it was noted she starts on December 2, 2024.

Mr. Lewis asked Mr. Kratzer to repeat what is now included in the Motion which Mr. Kratzer did as follows:

1. No General Purpose millage rate increase, so that would stay at 13.88 mills, in lieu of increasing that
2. Whatever was going to be generated from the increase to 16 which was contemplated, which is about \$1.1 million, they will take an equivalent distribution from the interest in the Trust, not the corpus of the Trust which is roughly 25% of the interest earned
3. Increase the Road Improvement Special Purpose millage from its current 2 mills to 4 mills so that there would be additional investment in roadway infrastructure
4. Eliminate the Debt Service from the Golf Fund but the Board could consider approving the pond liner in 2025

5. No increase in the Special Purpose Fire Tax
6. To close the General Fund gap use excess Sanitary Sewer Revenue which is no longer needed to support the system

Mr. Kratzer stated the resulting impact to the average Residential assessment will be about \$87 a year based on the above.

Mr. Grenier asked if everything proposed in the General Fund will be funded but they will use different funding sources, and Mr. Kratzer agreed. Mr. Kratzer stated from a staffing perspective the only thing in the General Fund relates to the replacement Police Officers which would be about \$30,000 in the fourth quarter. Mr. Kratzer stated given the likely recruitment/timing process it is likely that will not even be seen in 2025.

Mr. Grenier asked if there are any major projects, equipment purchase, or anything else in the General Fund that could possibly be held off on. Mr. Kratzer stated there was a \$38,000 Capital purchase in the General Fund for the Public Works Department related to a new sign plotter and printer. Mr. Fuller stated that is a sign machine to make the road signs; and while we have two that are functioning, they are about twelve years old, and they were planning for the future. He stated they could put that off until next year; and if necessary, they would just have to buy the signs.

Mr. Ross moved to Amend the Motion to exclude the sign machine for \$38,000.

Mr. Kratzer stated while he does not feel the Budget needs to be amended, Chief Coluzzi indicated that there were a few relatively small things that could be deferred in the amount of \$22,000. Chief Coluzzi stated already reduced in the Budget is a reduction in the Traffic Safety Officer's Fees, as he was at \$33,000 in prior years; and he is now invoicing us and we are paying him by the hour, and it is expected to be around \$15,000 rather than the \$33,000. Mr. Kratzer stated that would be a line item adjustment. Chief Coluzzi stated another is \$5,000 for Towns Against Graffiti which is an organization based out of Bensalem that comes into Lower Makefield and cleans up any graffiti; and we have used them quite a bit over the years. He stated he believes the AICP Convention is in Colorado for the Chief this year, and that is a \$1,500 stipend and air for the Chief that could be taken out as well as the \$500 for the Pennsylvania Chief's Seminar. Mr. Kratzer noted the \$450 for the

Bureau of Narcotics, and Chief Coluzzi stated that is a yearly Conference and training for Narcotics Officers, and that could be taken out. Mr. Kratzer stated for the two that are hitting the General Fund, that would be \$60,000.

Mr. Grenier stated a subsequent Agenda item is relative to body cams, and we had heard that the Bucks County Sherriff's Department was going to be distributing some body cams; and he asked if we are going to get any of those. Chief Coluzzi stated that was a Grant that the Sherriff's Department was going to apply for but is not a guarantee. He added that if we do get the Grant, it would go right to the Township.

Ms. Blundi asked if Placer.ai, the tracking software, is out, and Mr. Kratzer stated while not related to the General Fund, Ms. Tierney did identify some items in Park & Rec that could be taken out. Ms. Blundi asked if we are going to be taking things out or is the Board just not going to approve them. Mr. Grenier stated he would recommend taking that out.

The Motion was amended to include taking Placer.ai out of the Budget.

Mr. Grenier stated there were several items in the Park & Recreation Fund that were being paid for by Fee-In-Lieu, and he asked if some of those are new projects and if there is an opportunity to hold off on those so that we can keep the Fee-In-Lieu money to cover maintenance of Park & Rec facilities.

Mr. Kratzer stated from a practical perspective, we need to make sure that we are not working on more projects than we are able to manage, and he asked Ms. Tierney how she would prioritize the projects. Ms. Tierney stated she feels the lowest priority would be Revere and instead focus on Cardinal because the repairs at Cardinal are more necessary. She stated it needs to be recognized that the more it is deferred, the worse it will be and the more expensive it will be. She stated there are also a lot of projects that were not on the list that have already been deprioritized.

Mr. Grenier asked if there are any new build projects; and Ms. Tierney stated there is the Memorial Park East project, but we have a \$900,000 Grant for that which needs to be used or it will be lost. She stated you do not want to lose a Grant because then it becomes harder to get those types of Grants in the future. Mr. Kratzer stated from a scoping perspective, we are in the process of trying to refine that project. He stated what was previously contemplated for that project is not necessarily the Memorial Park project that will be brought to the Board of Supervisors. He stated

the re-scoping is addressing some existing deficiencies at the facility.

Ms. Tierney stated there were some permissions that needed to be obtained from the Grantors before we could consider that, and we are finishing getting those permissions. Mr. Kratzer stated there were initial conversations with both DCNR and DCED through the Commonwealth Financing Authority about potential scope modifications to address some existing needs at Memorial Park that did not relate to expansion. Mr. Grenier asked if the Board will get to see the new version, and Ms. Tierney agreed. Ms. Blundi asked if they are asking them for permission first and then bringing it to the Board as she would not want them to get permission and then have the Board not approve it. Mr. Kratzer stated based on the conversations they had, assuming that the Board is in favor of the scope modification, he feels the Grantors will be willing to make the modifications.

Ms. Blundi seconded the Motion.

Mr. Kratzer asked if they are striking Revere. He stated his intent was not to just proceed on a project just because it was in the Budget, and he was going to bring it back to the Board anyway.

Mr. Ross stated he feels Revere should be stricken from the Budget, but they should feel free to bring it back up during the year when we see where we are at.

Mr. Kratzer asked Ms. Tierney to review the projects so that the Board is fully aware. Ms. Tierney stated one of them is new cameras for Kids Kingdom and the Pool. She stated we are looking at re-doing Kids Kingdom in the future, and she would recommend that if we have to cut down on cameras that they be cut out of Kids Kingdom because the Pool's cameras are very old and sometimes it is hard to see. She stated this would cut the project in half, and it would probably result in a \$12,000 reduction out of the Park & Rec Fund with the remainder of the money coming from the Pool Fund which is all User Fee based.

Mr. Grenier asked the timeline for re-doing Kids Kingdom as there is not yet a plan for that which would contemplate camera locations and types of cameras. He stated he knows that we are looking at a public/private partnership including donations that we are looking at for Kids Kingdom. He asked if it is felt that the planning will be done in 2025 or will it carry into 2026. Ms. Tierney stated she is just asking for the planning for 2025, and the goal would be get the design done in 2025. Mr. Kratzer asked if there was not a cost for a Capital Campaign

that was contemplated, and Ms. Tierney stated she removed that language because she did not feel that we were ready for that yet, and the Park Board was not yet in agreement on that. Mr. Grenier stated it seems that construction could happen in 2026, and Ms. Tierney stated that is a possibility. Mr. Grenier asked if it would make sense to buy new cameras for a facility that is going to be re-done, and it was noted that Ms. Tierney had already taken out the new cameras for Kids Kingdom.

Ms. Tierney stated the other item she took out was CivicRec; and while she is very excited about the software, she does not feel with the timeline it would take to implement it, we would be ready to implement it this year. She stated it could be deferred until the end of next year so that we would be ready for 2026.

Mr. Kratzer reviewed the Amended Motion as follows:

1. No General Purpose millage rate increase, and it would stay at 13.88 mills
2. Increase the Road Improvement Special Purpose Tax from 2 mills to 4 mills which is currently in the draft
3. Take an interest distribution from the Trust which is essentially equivalent to the Revenue that would have been generated by the 2.12 mill General Purpose Tax increase
4. No Debt Service from a Budget perspective within the Golf Fund related to any Capital projects
5. No Special Purpose Fire Tax increase at this point pending outcome of the Study
6. Close the General Fund gap by using excess Sanitary Sewer Operating Revenues

From a millage rate perspective this would result in an \$87.20 increase in terms of Property Tax based on an average Residential assessment of \$43,600.

7. Eliminate the sign machine from the General Fund
8. Eliminate the Placer.ai expense from the Park & Rec Operating Fund
9. Eliminate Revere courts from Fee-in-Lieu
10. Reduce the scope of the camera project to limit it only to the Pool which will be coming out of the Pool which is supported by Membership Revenues
11. Defer implementation of CivicRec the new Recreation Registration software

Mr. Lewis asked if they deferred that to September, would there still be something in there to start the implementation of CivicRec; and Mr. Kratzer stated they would probably bring it to the Board in the fall. He stated he cannot promise that CivicRec would be inclined to do it although they generally are interested in building their book for the coming year; and if we knew that it was going to be in 2025's Budget, they would probably have started implementation in 2024 and then just delayed billing until 2025, and he expects that they would have a similar arrangement moving forward. Mr. Lewis stated CivicRec has a lot of customer experience value. Ms. Tierney stated it also has efficiency value as well.

Ms. Laurie Grey stated she is a Township resident. She thanked Mr. Kratzer for the presentation which was very helpful and easy to follow and able to be referred back to during the discussion. She also thanked Mr. Ross for his Motion. She stated she frequently heard how the proceeds and interest related to the sale of the Sewer was to benefit the residents, and she feels what is being done is the right way. She stated before any of us knew that there might have an increase in taxes this year, a majority voted in favor of the Open Space Referendum which will cost the taxpayers money; and that is an additional increase that we will have. She thanked the Board for actually doing what they stated they were going to do.

Mr. Kratzer stated there is nothing in the Budget contemplated at this point for Debt Service associated with the Open Space Referendum as we have not yet incurred the Debt. He stated if opportunities are identified as we are talking to property owners about that potential, we would come back to the Board. He stated while there would likely not be an impact in 2025 to residents, there would be an impact in subsequent years.

Mr. Lewis stated he will be voting in favor of the Motion, and he is glad that the Board had this discussion. He stated these are tough decisions, and hopefully we worked them through in the best way possible.

Motion carried with Mr. McCartney opposed.

Mr. Kratzer stated the adjustments will be made, and the document circulated; and they will proceed with the timeline that was outlined in the presentation.

POLICE

Approve Proposal from Axon Enterprise, Inc. (5-Year Contract Term at a Total Cost of \$101,250.80) Relating to Police Body Cameras

Chief Coluzzi stated this consists of body cameras and non-lethal, handheld lasers for the Officers. He stated this is the third five-year renewal. He stated the money is in the Budget for the first-year payment of the five-year Contract.

Mr. Ross moved and Ms. Blundi seconded to approve the proposal from Axon Enterprise, Inc. (5-year Contract Term at a total cost of \$101,250.80) relating to Police body cameras.

Mr. Grenier asked if in the event that the Congressman comes through with the funding for what was previously discussed related to the Sherriff's Department Grant, would we be able to leverage that rather than using Township funds. Chief Coluzzi stated he does not know the general specifications of the Grant and what was asked for, but he has a general idea that it was for body cameras; and if it applies to body cameras, and there is a reimbursement, the reimbursement would come to the Township the same as any other reimbursement as a result of the Grant. Mr. Grenier asked if they would force us to go with some other vendor, and Chief Coluzzi stated we could not as we are too far invested with Axon including Licensing Agreements, the equipment, etc.

Mr. Kratzer stated while the total cost is noted on the Agenda, it is an equal payment over a five-year period, so the \$101,250.80 is over the five-year term, and the annual payment is \$20,250.16; and that is already reflected in the Operating Budget for the Police Department.

Motion carried with Mr. Lewis, Mr. Grenier, Mr. Ross, and Mr. McCartney in favor. While Ms. Blundi was not present for the vote, it was noted that she was in favor of it.

SOLICITOR'S REPORT

Ms. Carlton stated the Board met in Executive Session prior to the meeting and discussed Real Estate, litigation, and employment matters.

Approve an Ordinance of the Township of Lower Makefield, Bucks County, Pennsylvania Amending the Lower Makefield Township Code of Ordinances Chapter 190 Section 6 to Create a Stop Intersection at Stacy Drive and Stackhouse Drive and at Laurel Lane and Stackhouse Drive

Ms. Carlton stated the Ordinance was provided to the Board in their packet and had been properly advertised.

Mr. Ross moved and Mr. Grenier seconded to approve an Ordinance of the Township of Lower Makefield, Bucks County, Pennsylvania amending the Lower Makefield Township Code of Ordinances Chapter 190 Section 6 to Create a Stop Intersection at Stacy Drive and Stackhouse Drive and at Laurel Lane and Stackhouse Drive.

Motion carried four to zero. Ms. Blundi was not present for the vote.

General Updates

Ms. Carlton stated the Historic Demolition Ordinance will be coming before the Board soon. She stated the Board did review it, and saw the second edits. She stated there have been additional requested changes made by the Historical Commission which are minor in nature.

Ms. Carlton stated the Model Responsible Contractor Ordinance will also be before the Board shortly, and her office is still waiting for the Central Pennsylvania Building Construction Trades Council to issue comments. She stated once they do, her office will review those and incorporate those that they consider necessary in addition to other suggested changes that have been discussed over the past few weeks.

Ms. Carlton stated the revised Sign Ordinance will not be before the Board of Supervisors until the beginning of next year at the earliest.

APPOINTMENTS/REAPPOINTMENTS TO BOARDS AND COMMISSIONS

Ms. Blundi moved, Mr. Grenier seconded and it was unanimously carried to re-appoint Sean Carney to Farmland Preservation and Christian Schwartz from an Alternate Member to a Full Member of the Zoning Hearing Board.

Mr. Grenier moved to appoint Cheryl Coffee to the Environmental Advisory Council. Motion died for lack of a second.

ADDITIONAL PUBLIC COMMENT ON NON-AGENDA ITEMS

There was no one from the public wishing to make Public Comment at this time.

There being no further business, the meeting was adjourned at 11:00 p.m.

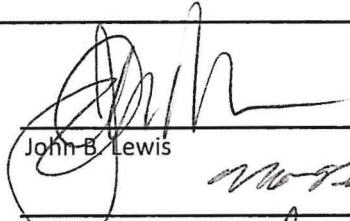
Respectfully Submitted,




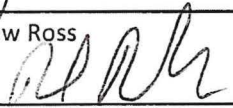
Suzanne Blundi, Secretary

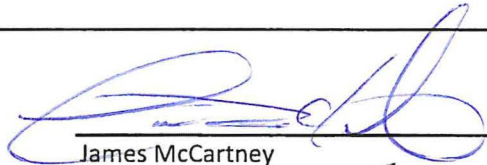
LOWER MAKEFIELD TOWNSHIP
BOS MEETING - 11/20/2024
INTERFUND TRANSFERS

September 2024 PAYROLL AND INTERFUND TRANSFERS	
Fund	
01- GENERAL FUND CHECKING TO PAYROLL ACCOUNT	756,549.89
GENERAL FUND TO DEFINED CONTRIBUTION PENSION PLAN ACCOUNT	52,700.62
03- GENERAL FUND TO DEFINED CONTRIBUTION PENSION PLAN ACCOUNT	2,671.53
05- PARKS AND RECREATION FUND TO DEFINED CONTRIBUTION PENSION PLAN ACCOUNT	10,316.08
09- POOL FUND TO DEFINED CONTRIBUTION PENSION PLAN ACCOUNT	2,046.43
	824,284.55


John B. Lewis


Matthew Ross

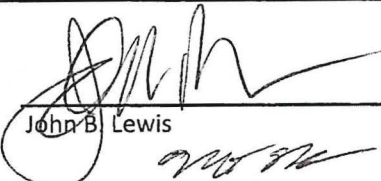

Daniel R. Grenier


James McCartney


Suzanne S. Blundi

LOWER MAKEFIELD TOWNSHIP
BOS MEETING - 11/20/2024
INTERFUND TRANSFERS


October 2024 PAYROLL AND INTERFUND TRANSFERS	
Fund	
01- GENERAL FUND CHECKING TO PAYROLL ACCOUNT	815,007.45
GENERAL FUND TO DEFINED CONTRIBUTION PENSION PLAN ACCOUNT	54,736.07
03- GENERAL FUND TO DEFINED CONTRIBUTION PENSION PLAN ACCOUNT	3,081.64
05- PARKS AND RECREATION FUND TO DEFINED CONTRIBUTION PENSION PLAN ACCOUNT	10,555.08
09- POOL FUND TO DEFINED CONTRIBUTION PENSION PLAN ACCOUNT	2,079.43
	885,459.67



John B. Lewis




Matthew Ross



Daniel R. Grenier



James McCartney



Suzanne S. Blundi