

The regular meeting of the Citizens Budget Advisory Committee of the Township of Lower Makefield was held in the Lower Makefield Township building on June 22, 2009. Mr. Shiller called the meeting to order at 7:00 pm.

Citizens Budget Advisory Committee: Anthony Spisto
Ethan Shiller
Greg Caiola
Joe Menard
Kenneth Martin
Michael Gary
Michael Landy

Others: Brian McCloskey
Matt Maloney

Absent: Colleen Klock

Mr. Shiller passed around the minutes of the April 27 meeting for review and asked if there was a motion to approve.. Mr. Menard made the motion to approve and everyone was in favor. The minutes of the April 27 meeting were then unanimously approved.

Financial Building Assessment Process Policy:

Mr. Shiller stated that the overall budget revenue is derived from real estate tax, deed transfer tax, real estate tax for the assessment and millage. He stated that if you apply for an addition, another assessment and then a reassessment occurs and the county does their assessment three times a year. Mr. Shiller said that there is concern that houses with additions are not being assessed properly and applied across the board fairly. He stated that he met with Mr. Fedorchak and Mrs. Frick, Director of Planning and Zoning, to see how it works on her part. Mrs. Frick keeps collects the permits and at the end of the month transmits them to the county executor's office. We provide the information to the county assessor's office quickly and sometimes there is a lag time due to circumstances and no effort to fill the void.

Mr. Shiller asked how do we confirm that the revenue generated on the assessment occurs. Mr. Shiller proposed that a process needs to be set up which holds the county assessor more accountable. Becky volunteered to look through 2008 to see if any assessments have been missed. Mr. Fedorchak did a test case with 2008 building permits, copied and gave them to Becky, who checked the commission with her records for discrepancies. Becky will have a final report in August. She will also determine if the permits were finalized. Mr. Shiller asked about the process of corrective action and if the county would be willing to do the assessment on those missed. Mr. Shiller asked whether the county would wish to proceed along the lines that he has started to put together a policy process for them to evaluate and for the township to adopt. Mr. Caiola stated that once the policy is set in place, the township will have to adhere to it with checks and balances.

Mr. Menard asked how many permits were issued in 2008. Mr. Shiller stated that there are pages of them, some of which did not call for an assessment. He stated that we probably should evaluate the fee structure which hasn't been changed in about 15 years. Mr. Menard asked if this could be done electronically and who reviews to see if an assessment is required. Mr. Fedorchak stated the board of assessor's office. Mr. Shiller asked if the committee wants to consider going forward with a policy review and have Mr. Fedorchak adopt it and then push to see how we could do it electronically. Mr. Menard said he would agree to go to the county and discuss the electronic process. Mr. Spisto asked if the intent of the policy would be to ensure that every property that needs an assessment would get it. Mr. Shiller stated yes.

Golf Interfund Transfer Letter:

Mr. Shiller presented the letter that Mr. Menard composed to Mr. Fedorchak regarding Intra-governmental service charges. He asked if the committee was in agreement with what is stated. Mr. Spisto asked if the Golf Committee could interpret this as a request to pay previous years. Mr. Menard stated that this letter will help them keep track of the unaccrued and unbilled amounts from prior years. Mr. McCloskey stated that the golf club is cash flow positive but it loses money on an accounting basis. He stated that when the bonds are paid off, there will be a sizeable profit down the road. Mr. McCloskey stated that he likes the wording and that this is the best opportunity to get it before the golf committee due to the fact that they are looking at a new management firm and the new firm could build this into their 2010 budget. Mr. Fedorchak asked for a motion and all approved.

Mr. Shiller asked who does the food & beverage at the golf club and do we keep track of any health violations and if they incur a penalty. Mr. McCloskey stated that yes there were two health department violations. Kemper addressed them and satisfied the health department. This year they passed the health department inspection. He does not believe there is anything in the contract regarding penalties and the liability might be upon the township since we own the property.

Mr. Shiller asked if there was anything else on the golf course. Mr. Menard asked how revenues have been over the last three weeks. Mr. McCloskey stated we had 15 out of 31 days of rain in May and 12 out of 22 so far for June. The course was packed every weekend we had good weather and are trending 60% of budget and 70% through the month. Mr. McCloskey stated we can't really tell if golf is recession proof and when we lose revenue, we shave expenses by sending people home.

MUNIS Financial Software:

Mr. Shiller stated that the Committee invited Mr. Maloney to address them in regards to how much access and information should be made available on the web for the community. Mr. Maloney stated the vision is to extract information from the database on a monthly or quarterly basis i.e. checks for expenses and we are then able to identify the costs line by line and reconcile the expenses. He stated that creating a database of that sort would be a massive file of everything we do. He doesn't want Mr. McCloskey and staff to cut the check and have it open for public inspection without allowing the proper

process to take place. Mr. Maloney stated that if Munis does have front end loading, we could hire college or high school kids to build a java base that would reference database across funds. He stated that the point is once we design the database, the ability to use it would be endless. Once we load the budget, we should be able to see what we have spent to date and expense budget transfer should be endless as well. He inquired as to the level of detail we want to get at or should we start with everything and then pull it off if it is not appropriate. Mr. Spisto asked who this would be targeted to. Mr. Maloney stated that originally it would be targeted to him for accessing information as a supervisor. From the standpoint of where we are putting our money to use, it would be a public inspection tool. He questioned whether CABC should be part of the Audit Committee. Mr. Spisto stated that we need to assign someone who would be capable of answering questions from the public. Mr Maloney stated that the bigger picture is in terms of making the township more technical friendly in treating the website as a customer service tool. The public would have the ability to transmit questions and the township would have an automated process to respond to questions in the order that they are received. This would require Mr. McCloskey and his staff to commit time as the public has needs which are not being met and it is a question of manpower. Mr. Shiller questioned whether people could generate their own report. Mr. Maloney stated he is not in love with that idea as we need to maintain control and make it read only.

Mr. Shiller asked whether the Munis system could be updated to be web enabled. Mr. McCloskey stated we are with Comcast and we do not have the bandwidth to come into their firewalls. If we switch to FISO, we would have this ability. We do not have real time data available through the web as it is only pdf read only and we would have to create and upload on a monthly or quarterly basis.

Mr. Maloney stated if we have the ability to export on a quarterly basis into an Oracle database and reference stand alone by a web script, we don't run the risk of two people working on it at the same time. Mr. Shiller asked if Munis latest updated is web based. Mr. McCloskey stated we are currently on a test basis. Mr. Maloney stated that a custom solution is necessary on how the information could be accessed rather than boiler plate access. Mr. Shiller asked what does the Munis upgrade contain and when will it be done. Mr. McCloskey stated that we are setting up a conference call to discuss and build a platform. Mr. Maloney stated that he would look into the cost of FIOS. Mr. Shiller stated that we should consider documenting opinion on how this system would look, what the requirements are and pull a document together to review as we need to capture ideas on what it is targeted to, what type of information would be available and how it should be working. Mr. Shiller asked if there were any other questions on Munis and the Committee did not have anything further.

Website Information on Trash Hauler:

Mr. Caiola stated that he would be sending a letter to each trash hauler regarding posting their rate information on the website. Mr. Menard asked if we were going to extend this offer to any other businesses. Mr. Caoila stated that we would be posting trash hauler information as a municipality service since it is used by all residents. It also correlates to the environmental aspect and it will provide a look at the companies who do the best job in recycling. Mr. Shiller asked if there was a motion to say

yes to have Mr. Caiola and Mr. Fedorchak generate a letter to obtain appropriate information re cost and services to lower Township residents. A majority voted in favor.

Other business:

Mr. Menard asked if we could contact some other townships in Pennsbury school district to engage in conversation on an ad hoc basis about the school district budget and spend. He stated he is looking at it as a means for them to save money. Mr. Caiola stated it would be up to us and Falls township as Yardley Borough and Tullytown would not be interested. Mr. Shiller asked the Committee if they wanted to start it. Mr. Caiola stated that we have some real challenges in dealing with the municipal budget and this is where are primary focus needs to be at this time. Mr. Shiller stated that this might go beyond the Committee's scope and Mr. Caiola stated for now but not for the future.

Mr. Shiller stated he had one additional item of new business and questioned what is happening in the deed transfer tax which seems to be falling. Mr. McCloskey will report at the next meeting what areas are making up the shortfall in reducing next year's budget. Mr. McCloskey stated yes we will identify areas to make it up since we were off budget. Mr. Shiller stated that one concern he still has during the budget process is in regards to any type of millage increase. He would like a proposal from Mr. McCloskey of what we could offer up as a priority to keep increase down in millage. Mr. McCloskey stated that he will be presenting the 2nd qtr finance report at the July meeting and will have a lot to discuss on outlook for 2010. Mr. Shiller stated that he made the statement to Mr. McCloskey that he would like to see internal and external response to reducing 2009 for significant dollars rather than cutting personnel in 2010. Mr. McCloskey stated that by policy we need to make up any shortfall. Mr. Shiller stated that he would like to see township going beyond that red flag of shortfall in revenue evaluation and review what things would be cut and set aside dollars midyear to avoid having to spend extra money. He asked Mr. McCloskey if he was agreeable to this. Mr. McCloskey stated that he does it all the time and Mr. Shiller said he wants to see it on paper. Mr. McCloskey said they have been talking about 2010 budget for a year and it is shaping up exactly how we thought it would. Mr. Shiller questioned the line item of outside labor for storm sewers at \$5000 and whether it was a duplicate or a mistake. Mr. McCloskey said that he needs to look it up and apologizes as he thinks it might be a typo. Mr. Shiller questioned whether the majority of time at the July meeting would be needed for the second quarter report and Mr. McCloskey said to schedule the whole meeting for finance review, red flag list and initial list that Mr. Shiller delivered.

There being no further business, the meeting was adjourned at 8:44.