

**Citizen's Advisory Budget Committee
Township of Lower Makefield
September 21, 2009**

The regular meeting of the Citizen's Advisory Budget Committee of the Township of Lower Makefield was held in the Lower Makefield Township Building on Monday, September 21, 2009. Mr. Shiller called the meeting to order at 7:00 pm.

Citizen's Advisory Budget Committee: Anthony Spisto
Brian McCloskey
Ethan Shiller, Chair
Greg Caiola
Joe Menard
Kenneth Martin, Co-Chair
Michael Landy

Absent: Colleen Klock

Others: Terry Fedorchak

Mr. McCloskey reported that a draft of the budget was submitted to the Board of Supervisors for finalization around mid-October. He stated that in regards to the General Fund, he is waiting to hear from Harrisburg on relief to the pension fund, health care insurance cuts and labor negotiations with the Police & PW union. The budget is on hold until he receives this information.

Mr. McCloskey presented the budget summary for 2009 and 2010 to the Committee. He reviewed the following funds:

Fund 2 Street lights: Expenses projected higher than revenue in 2010 due to an increase in electric. There is concern in 2011 regarding deregulation.

Fund 3 Fire: Increase of .90 in 2009 but the fire fund remains healthy thru year end in 2010.

Fund 4 Hydrant: Increase of .29. Expenses exceeded revenue for 2009. There will be a 13% increase in PA water bill in 2010 resulting in the year ending with a deficit balance.

Mr. Shiller asked if we can identify what percentage of the expenses is due to responding to fire calls vs. flushing hydrants and if we are required by law to flush the hydrants. Mr. McCloskey stated that he will check with the Lower Makefield Fire Company. Mr. Shiller asked if we could combine the hydrant fund with the fire fund for offsetting. Mr. Menard stated that the fire fund builds up surplus whereas the hydrant fund is on a straight user cost basis. Mr. Shiller asked if it would be possible to transfer

from the fire fund to the hydrant fund. Mr. Federochak stated that the fire fund is a restricted fund but that he will look into it

Fund 11 Traffic Impact: The fund is very healthy but expenditures for 2009 were high due to traffic issues.

Mr. Menard asked what the ultimate use of the money is for. Mr. McCloskey stated that it sits there and grows and it benefits the fund management but they are restricted monies. Mr. Menard asked if we could get this fund unrestricted. Mr. Fedorchak said that we would have to go through the state law established procedures and the Committee would have to hire an engineering company with expertise in traffic issues to look at problems and solutions over a 10 year timeframe. He stated that it is a long and costly process to get the monies unrestricted.

Fund 20 Debt Services: Expenses exceeded revenue in 2009 but 2010 begins a string of years where revenue exceeds expenses.

Fund 35 Liquid Fuels: This fund is very healthy this year and next year with revenue exceeding expenses in 2010. Expenses are higher in 2009 due to carry over from 2008. Liquid fuel tax on gasoline is given back to the municipality for road work and capital equipment.

Fund 40 Garden Reflection Fund: This year there was a large expected payment in 2009 and stable revenue figures with revenue projected to exceed expenses in 2010. GOR raises \$100,000 a year thru fund raising to pay for \$60,000 to run the park.

Fund 50 Ambulance: Current levy of .25 in 2009 with no planned increases for 2010. The fund balance is fairly healthy and takes in more than it gives out.

Golf Transfer Accounting Procedures:

Mr. Menard reported on the following golf transfer accounting procedures to formalize the requirement of the golf fund to contribute or allow their cost to the government services.

1. Have an appropriation put in the budget for the government services expense item in the general fund. Caveat is should the golf fund not be self liquidating, we would not want to have that line item paid over to the township because it would impact the creditworthiness of the township.
2. Have the surplus, \$20,000 left over from last year, appropriated to the General Fund services for the current year budget. This would be the cost to the Golf Fund and this is what the General Fund will be expecting. Since it is coming from prior year surplus, it should not impact self-liquidating calculations for the current year.

Mr. Shiller asked how the legal fees and other costs would be handled. Mr. Menard stated that once we move into the fund, the costs have to be accumulating. He stated that he prefers the second choice since we want it be self liquidating. Mr. Spisto asked

if we could do it unilaterally or does it require consent of the golf course. Mr. Menard stated it would require consent of board of supervisors. Mr. Shiller asked Mr. Fedorchak if we could accrue this for 2009 and include transfer from the year and legal fees out of general fund. Mr. Fedorchak stated we will start with the 2010 budget. Mr. Caoila stated we have a few different organizations interested in taking over the golf course since the contract expires this year and it makes more sense to start clean. Mr. Shiller asked if this year's budget will we have a line item for transfer fund. Mr. Federochak stated it will be brought up during budget discussions.

Crossing Guards:

Mr. Shiller reported that the Pennsbury School Districts wants to change the way they reimburse this and not reimburse for stops that include parochial or private school stops. Mr. Fedorchak stated that the Makefield Elementary school is undergoing renovations and to accomplish that they need to pay the township \$260,000 in permit fees. Mr. Shiller questioned if we don't pay this year, what about next year. Mr. McCloskey stated if they are shared stops, then there is not a question. Mr. Caoila said it will be discussed at the executive session at the board of supervisors.

2009 Grants:

Mr. Shiller asked for an update on the status of grant applications. Mr. Federhak reported on several grants that the township applied for including DCNR Construction grant program and a Dept. of Energy grant for the construction of a small solar ray at the Paterson Farm and unfortunately the township did not receive approval for the grants. He stated that they also applied for a Harvest grant program that would reduce energy cost by 20% by providing energy efficient lights and LED signals and that we have not received information. Mr. Fedorchak stated that the township could receive up to \$250 for each of these projects.

2008/09 Assessment of New Additions/ Pools/etc:

Mr. Shiller reported on 34 property assessments for additions or alteration to properties that were missed in 2008 and six that were missed in 2007. Mr. Federchak stated that there is inconsistency in that we may say that there is a house that was issued a TOC and not on the tax rolls. This is the sort of inconsistency that jumps out and he will reach out to the county for a better understanding of what their triggers are for an assessment and then look at 07/08/09 to see where we stand.

New Business:

Mr. Martin reported that he took a bus tour with the Department of Public Works and toured the streets due to be repaved. He passed around the LM Township 2009 Engineering Summary to the committee for review. Mr. Shiller asked how the roads are prioritized. Mr. Fedorchak that the Department of PW and TS engineers take an inventory of the all the roads in the town and a computer program produces the

schedule. Every year our township engineers take a look at the roads and tweak the rest based on observations. The township engineer has alerted us that a number of additional roads could be considered and this could bump up the number that the board of supervisors assessed for the program by \$250,000.

Mr. Shiller reported that the October 26 meeting would be speaking to the budget. He asked the Committee if they would want to have a meeting on 10/19 to speak with Chief C on a couple of issues and discuss 2009/10 budget. Mr. Menard stated he would rather wait until we have a chance to review the budget to identify what we want to ask him as a Committee. Mr. Fedorchak agreed that we should wait until we receive and review the final budget as by that time he might be able to answer some of the questions.

Mr. Shiller reported that the October 19 meeting is cancelled and that the next meeting is scheduled for October 26.

There being no further business, the meeting adjourned at 8:55 pm.