

**MIDDLETOWN TOWNSHIP  
BOARD OF SUPERVISORS  
PUBLIC MEETING  
REORGANIZATION  
JANUARY 6, 2014**

**ANNUAL ORGANIZATION MEETING**

1. Call to Order, Pledge of Allegiance.

Mr. Mallon called the meeting to order at 7:30 p.m. The Pledge of Allegiance was recited.

2. Judge John J. Kelly, Jr. presided over the swearing in of H. George Leonhauser and William Oettinger, Township Supervisors
3. Judge John J. Kelly, Jr. presided over the swearing in of newly elected Township Auditor – Michelle Glasson,
4. Judge John J. Kelly, Jr. presided over the swearing in of Tax Collector – Ray Chapman
5. Roll Call.

Mr. Kreiling called roll and the following were in attendance: Pat Mallon, Drew Kreiling, H. George Leonhauser, Thomas Gallagher, William Oettinger, Stephanie Teoli Kuhls, Township Manager and Joseph Pizzo, Township Solicitor.

6. Organization of the Board of Supervisors:

- a) Election of Temporary Chairperson

**ACTION: MR. MALLON NOMINATED MR. KREILING AS TEMPORARY CHAIRPERSON. MR. LEONHAUSER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.**

- b) Election of Chairperson

**ACTION: MR. KREILING NOMINATED MR. MALLON AS CHAIRPERSON. MR. LEONHAUSER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.**

- c) Election of Vice-Chairperson

**ACTION: MR. KREILING NOMINATED MR. LEONHAUSER AS VICE-CHAIRPERSON. MR. MALLON SECONDED. MOTION CARRIED BY A VOTE OF 5-0.**

- d) Election of Secretary

**ACTION: MR. MALLON NOMINATED MR. KREILING AS SECRETARY. MR. LEONHAUSER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.**

7. Consideration of appointing a Township Solicitor.

ACTION: MR. MALLON MOVED TO APPOINT JOSEPH PIZZO AND ASSOCIATES AS TOWNSHIP SOLICITOR. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

8. Consideration of appointing a Township Labor Attorney.

ACTION: MR. MALLON MOVED TO APPOINT TRACY HUNT OF TIMBY HUNT AS THE TOWNSHIP LABOR ATTORNEY. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

9. Consideration of appointing a Township Engineer.

ACTION: MR. MALLON MOVED TO APPOINT TRI-STATES ENGINEERS & LAND SURVEYORS, INC. AS TOWNSHIP ENGINEER. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

10. Consideration of appointing a Traffic Engineer.

ACTION: MR. MALLON MOVED TO APPOINT CARROLL ENGINEERING AS THE TOWNSHIP TRAFFIC ENGINEER. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

11. Consideration of appointing a Special Projects Engineer.

ACTION: MR. MALLON MOVED TO APPOINT DUMACK ENGINEERING AS THE SPECIAL PROJECTS AND CONFLICT ENGINEER. MR. LEONHAUSER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

12. Consideration of appointing the Township Manager to the positions of Treasurer and Assistant Secretary and Chief Administrative Officer to Pensions.

ACTION: MR. MALLON MOVED TO APPOINT THE TOWNSHIP MANAGER TO THE POSITIONS OF TREASURER AND ASSISTANT SECRETARY AND CHIEF ADMINISTRATIVE OFFICER TO PENSIONS. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

13. Consideration of appointing the Finance Director as Assistant Treasurer.

ACTION: MR. MALLON MOVED TO APPOINT THE FINANCE DIRECTOR AS ASSISTANT TREASURER. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

14. Consideration of establishing and authorizing advertisement of a regular business meeting date and time for the 2014 public meetings of the Board of Supervisors.

**ACTION: MR. MALLON MOVED TO ESTABLISH AND AUTHORIZE THE ADVERTISEMENT OF A REGULAR BUSINESS MEETING DATE AND TIME FOR THE 2014 PUBLIC MEETINGS OF THE BOARD OF SUPERVISORS AS FOLLOWS:**

- TUESDAY, JANUARY 21, 2014
- MONDAY, FEBRUARY 3, 2014
- MONDAY, FEBRUARY 24, 2014
- MONDAY, MARCH 3, 2014
- MONDAY, MARCH 17, 2014
- MONDAY, APRIL 7, 2014
- MONDAY, APRIL 21, 2014
- MONDAY, MAY 5, 2014
- MONDAY, MAY 19, 2014
- MONDAY, JUNE 2, 2014
- MONDAY, JUNE 16, 2014
- MONDAY, JULY 21, 2014
- MONDAY, AUGUST 4, 2014
- MONDAY, AUGUST 18, 2014
- MONDAY, SEPTEMBER 15, 2014
- MONDAY, SEPTEMBER 29, 2014
- MONDAY, OCTOBER 6, 2014
- MONDAY, OCTOBER 20, 2014
- MONDAY, NOVEMBER 17, 2014
- MONDAY, DECEMBER 1, 2014
- MONDAY, DECEMBER 15, 2014

**MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.**

- 15. Consideration of establishing bond limits in the amount of \$1.5 Million for Treasurer, Assistant Treasurer, and Township Manager for the faithful performance of the duties of said offices.

**ACTION: MR. MALLON MOVED TO ESTABLISH BOND LIMITS IN THE AMOUNT OF \$1.5 MILLION FOR TREASURER, ASSISTANT TREASURER, AND TOWNSHIP MANAGER FOR THE FAITHFUL PERFORMANCE OF THE DUTIES OF SAID OFFICES. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.**

- 16. Consideration of appointing a Chairperson to the Vacancy Board for 2014.

**ACTION: MR. LEONHAUSER MOVED TO APPOINT NANCY MCCANN AS CHAIRPERSON TO THE VACANCY BOARD FOR 2014. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.**

- 17. Consideration of Appointments & Re-Appointments to Township Boards and Commissions.

**ACTION: MR. LEONHAUSER MOVED TO APPOINT MARY SCHWEIKER TO THE PARKS & RECREATION BOARD WITH A TERM TO EXPIRE DECEMBER 31, 2016. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.**

ACTION: MR. LEONHAUSER MOVED TO APPOINT TOM SIMONCINI TO THE ZONING HEARING BOARD WITH THE TERM TO EXPIRE DECEMBER 31, 2018. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

Mr. Leonhauser thanked Joseph Kennedy for his years of service on the Zoning Hearing Board.

ACTION: MR. LEONHAUSER MOVED TO REAPPOINT SANDRA FARRY TO THE PLANNING COMMISSION FOR A TERM TO EXPIRE DECEMBER 31, 2017. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

ACTION: MR. LEONHAUSER MOVED TO APPOINT ROBERT BURNETT TO THE TOWNSHIP PLANNING COMMISSION FOR A TERM TO EXPIRE DECEMBER 31, 2016. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

ACTION: MR. LEONHAUSER MOVED TO APPOINT MICHAEL MCCANN TO THE PLANNING COMMISSION WITH A TERM TO EXPIRE DECEMBER 31, 2016. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

ACTION: MR. LEONHAUSER MOVED TO APPOINT KEVIN GLASSON TO THE TECHNICAL CODE BOARD OF APPEALS FOR A TERM TO EXPIRE DECEMBER 31, 2018. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

ACTION: MR. LEONHAUSER MOVED TO APPOINT TOM TOTH TO THE DISABLED PERSONS ADVISORY BOARD WITH A TERM TO EXPIRE DECEMBER 31, 2015. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

ACTION: MR. LEONHAUSER MOVED TO APPOINT ROBERT BURNETT TO THE DISABLED PERSONS ADVISORY BOARD WITH A TERM TO EXPIRE DECEMBER 31, 2015. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

18. Consideration of authorizing extension of Township Manager's Employment Agreement to January 5, 2015.

ACTION: MR. MALLON MOVED TO AUTHORIZE THE EXTENSION OF THE TOWNSHIP MANAGER'S EMPLOYMENT AGREEMENT TO JANUARY 5, 2015. MR. LEONHAUSER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

19. Consideration of authorizing payment of January 6, 2014 Bill List in the amount of \$935,470.86.

ACTION: MR. KREILING MOVED TO AUTHORIZE PAYMENT OF THE JANUARY 6, 2014 BILL LIST IN THE AMOUNT OF \$935,470.86. MR. LEONHAUSER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

20. Consideration of ratifying Resolution #14-01R dated January 2, 2014 declaring a limited state of emergency.

ACTION: MR. MALLON MOVED TO RATIFY RESOLUTION #14-01R DATED JANUARY 2, 2014 DECLARING A LIMITED STATE OF EMERGENCY. MR. GALLAGHER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

21. Consideration of enacting Resolution #14-02R appointing delegates to Tax Collection Committee.

ACTION: MR. MALLON MOVED TO ENACT RESOLUTION #14-02R APPOINTING DELEGATES TO TAX COLLECTION COMMITTEE; STEPHANIE TEOLI KUHLs AND DENNIS PENKO, FINANCE DIRECTOR. MR. LEONHAUSER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

22. Public Comment on non-agenda items.

Craig McAvoy and Anne Sabin, Langhorne expressed their concern of the enactment of the EIT and has not heard anything about making cuts. Mr. McAvoy asked for a listing of the proposed cuts in the budget.

Dave Newman, 42 Tupelo Lane, Langhorne said he is very unhappy with any Supervisor that did not vote against the enactment of the EIT.

Marianne O'Connor, 701 Atkinson Lane, Langhorne asked if a monthly budget report is done by department and is the department made aware of those times when they are going over budget. Ms. Teoli Kuhls said she does this. Ms. O'Connor asked if any department had gone over budget and stated that L & I had done so.

Ms. Teoli Kuhls advised that in L & I the Board made a decision midyear to take a service the Township had been contracting out with a third party and bring someone in house. Although more was spent in that payroll line item, there was a significant savings in the third party cost line item. Ms. O'Connor had various questions that Ms. Teoli Kuhls advised she would be happy to take the information and get back to Ms. O'Connor with the answers.

Ms. Teoli Kuhls said the Board of Supervisors does not have the discussion of the budget on the agenda for this evening.

Ms. O'Connor believes that the Board should have the budget on them at all times and be able to answer any questions proposed to them. Also stated that a representative from Keystone should have been present at the last public meeting of the Board to answer any questions residents have regarding the EIT.

Ms. O'Connor requested an answer from each Board member that voted against not taking the \$4,000 stipend. Mr. Kreiling stated that \$4,000 was not going to save the money the Township needed to save. That was not Ms. O'Connor's point, but Mr. Kreiling stated that he is answering her question like she asked. Mr. Mallon stated that it is a personal decision. Mr. Leonhauser said he believes the Board is doing a lot to help the community in response to Ms. O'Connor's question.

William O'Connor, Langhorne represents Middletown Township Taxpayers United and presented an 11 point plan to restore fiscal responsibility for Middletown Township.

- Reopen 2014 budget at next public Board of Supervisors meeting
- Institute an across-the-board 4% cut to every budget line not under contractual obligation i.e., benefits, raises for unions, etc.

- Implement a pay freeze on all non-union staff
- Institute a hiring freeze preventing any new positions, filling of vacant positions or promotions
- Suspend the stipends taken by the Board of Supervisors
- Place an immediate freeze on the purchase of any capital equipment – all freezes will remain in place until the creation of an infrastructure oversight committee comprised of members of the Board and a representative group of citizens.

Mr. O'Connor went into great detail about the budgeting process in the future. The budgeting process should begin on the first day of September whether or not it is an election year. Mr. O'Connor asked the Board if they would agree to add an agenda item to the January 21<sup>st</sup> meeting to reopening the 2014 Budget.

Joe Benco, Levittown expressed the adverse affect of the EIT on his family and how in these times an assistant to the Manager was hired when we never had one before. Also in these times, why is the Township revamping playgrounds.

Larry Pastor, Middletown resident went on in great detail about the November election and how it was not stated that there would be a tax increase and how Mr. Mallon stated he was not involved in the writing of the campaign literature. Mr. Mallon stated he was asked to write a letter in support of a fellow supervisor that he has worked with for 4 years and that is what he did.

Mr. Pastor directed campaign literature questions to newly elected William Oettinger concerning the tax increase. Mr. Oettinger responded stating that he was told by two Board members it would be totally absurd for him to try and run for office and say nothing about tax increases and then go right for it. Mr. Oettinger is going to stick to his guns, he is not going to name the two Board members and he is going to stick to his story.

Mr. Pastor brought up the question about reopening the Budget. Ms. Teoli Kuhls explained that the Board of Supervisors authorized advertisement of an amendment to the 2014 budget which will be before the Board for a vote on the 21<sup>st</sup> of January. Mr. Pastor asked if the budget can be reopened after the 21<sup>st</sup> of January.

Mr. Pizzo explained based on the Board's action of December 30<sup>th</sup>, the Township Administration has been directed to prepare an amended budget that reduces the EIT levy to .5 percent and restores the real estate tax levies to the levels that existed in 2013. Once that amended budget is prepared for public review, notice will go into the newspaper advising the public that the proposed amended budget is available for inspection at the Township, with the notice running at least 10 days prior to the January 21<sup>st</sup> meeting and the Board will consider adoption of a proposed amended 2014 budget at that time.

Mr. Pastor asked Mr. Oettinger what he will be doing for the next 2 weeks to fight the budget that he opposes. Mr. Oettinger stated that he will be meeting with the Township Manager to see what is going on with the budget.

Jerry Hoffman, Langhorne read a statement listing the plan to restore Middletown Township to fiscal sanity which is to unseat the current Board. He read an article about reducing the size of the Board of Supervisors from 5 members to 3 members. The purpose of this would be to repeal the EIT

and provide a commitment to taxpayers and a promise that any future tax increases will be met with a proportionate decrease in expenditures.

Natalie O'Donnell, 17 year resident of Middletown expressed her dismay at the mismanagement of \$33 million to balance the budget. Township does not have money to hire new employees or pay exorbitant salaries regardless of the credentials that warrant the salary. People working outside of union contracts should not expect a pay raise.

Raina Shoemaker, resident asked why the suggestion that Mr. McMonagle made to make a 4% cut across the board and save \$60,000. Why aren't we doing that?

Ms. Teoli Kuhls said that some of the cuts suggested by Mr. McMonagle are possible and some are not possible. The Board will have an opportunity to look at them throughout the year. The \$60,000 in Mr. McMonagle's proposal was the only money in the General Fund, the other money in his proposal was in other restricted tax funds.

Helen Goldstein, Langhorne, single mother expressed her disbelief in enacting the EIT and suggested looking under rocks to save more money.

Douglas Mael, Middletown resident for more than 28 years said that as a retiree the EIT will not affect him, but will affect his wife. The lack of response by the Board is appalling.

Tim Greenwood, Middletown resident upset the way the tax increase was imposed.

Andy Warren, Middletown resident said he has never been more concerned for the future of our country than he is today because of the governing from Washington. The process is horrible. The day citizens lose respect for those they have elected is the day that any country, state, county or township is on a rapid road to disaster. Mr. Warren said those in attendance are begging that the Board work as a collective body and work with the residents. Mr. Warren commended the Board for listening to the residents and lowering the EIT rate from 1% to .5%. Mr. Warren also does not oppose the Board using part of the Investment Fund one time, in an emergency to offset and meet the 1%. The only way that works is if it is a one-time event.

Todd Kelly, 56 Shadywood Road, Levittown said the Board has worked hard over the years to not raise taxes. He suggested that the people in the community become involved in the budgeting process to come up with some sort of solution.

Frank Hern, 137 Alberts Way, Langhorne said he was not notified about the tax, his teenage daughter who works a part-time job was notified. Why isn't the tax collector collecting this tax and what will be done with the funds once collected?

George Dranginis, 221 Quincy Drive, Levittown said as a member of the Middletown Township Financial Advisory Committee, he would like to thank the Board for not trying to balance the budget on the back of the Investment Fund. As interest rates start to rise again, the Investment Fund has the potential to produce a significant amount of revenue for the years ahead. Mr. Dranginis extended an invitation to everyone in attendance this evening to attend the next Financial Advisory Committee meeting which will be held January 7, 2014 at 7:00 p.m. in Conference Rooms 220-221. John Malloy, of PFM will be present to give his 4<sup>th</sup> quarter report and answer questions.

Bob Feather, 96 Highland Park Way, Levittown welcomed Mr. Oettinger to the Board of Supervisors. He also thanked Mr. Dranginis for his comments and agreed that we shouldn't be making personal attacks on the Board and they are doing what they feel to be necessary and is right. Mr. Feather pointed out that Tom Gallagher has voted against this and has remained consistent in his vote against the EIT.

Mr. Feather pointed out that he is a small business man and will be losing \$5,000 with this newly imposed tax. Discussion ensued concerning the deficit in the 2014 Budget. Mr. Feather asked if the Board was not aware of the deficit in the Police Pension fund any sooner than present. Ms. Teoli Kuhls stated that the Board did see that coming and it was discussed in many public meetings. Every September the Finance Director has to come before the Board to certify what is going on in the pension.

Mr. Feather doesn't believe that the residents were informed properly with the proposed budget. The budget deficit represents services that benefit all residents, but why are we only imposing a tax on a select few. He understands not raising property taxes because it will affect people with fixed incomes, yet in the budget proposal it was suggested that imposing this EIT, adjustments could be made for people making \$12,000 or less and asked why the same thing can't be done with property taxes. Her formally requested that the Board continue to revisit other options for this budget and also suggested that we borrow money from the Investment Fund to pay it back and not just take money from the Investment Fund. Mr. Feather suggested enacting a sales tax to raise revenue. Ms. Teoli Kuhls said the Township is not able to enact a sales tax.

Lisa Begley, Langhorne requested clarification in reference to the EIT. She asked what percentage she is to collect from the employees where she works. Ms. Teoli Kuhls said the Board of Supervisors adopted the budget with a 1% EIT. Most companies were notified and began collecting the 1%. The Board authorized advertisement of a new amended budget with a reduction in the EIT to .5% . Most people are continuing to keep it at 1% for the second payroll until the Board votes on January 21<sup>st</sup>. DCED will not change the information on their website until the Middletown Township Board of Supervisors takes official action. On January 22<sup>nd</sup> the Township will be able to change the DCED website. The good news is that most businesses will be submitting quarterly allowing reconciliation during the first quarter. If you are unable to do that, individuals who had the 1% withheld for the first 2 pay periods will be able to request a refund in April of next year.

Bob Burnett a retired Middletown Police Officer on disability who works for a neighboring school district stated that he is a veteran. He pointed out that the resident that stated he is a small business owner and will be paying \$5,000 in EIT; the math doesn't work out because if he is paying \$5,000 in EIT he would be making \$1 million. Mr. Burnett pointed out that he pays 1% EIT in the Township where he works and at least now one half of that percent will be coming back to the Township where he lives.

Mr. Burnett appreciates the fact that the Board lowered the EIT to .5% and hopes that if and when the economy turns around and the Investment Fund performs to level where the EIT could be eliminated the Board does so.

Debra Harker a Middletown resident doesn't understand why even though the budget is not an agenda item that the Board and the Manager do not have the document with them at all times. Ms. Teoli Kuhls said there are thousands of line items in the budget and she would be happy to meet with anyone and answer questions. Ms. Harker would like this done in a public forum. Ms. Teoli Kuhls



requested that she give her the questions she has and she would be glad to report back at the next public meeting.

Ms. Harker is energized with the suggestion to take the Board from 5 members to 3 members. What is really exciting is that she could put up her own members for election and probably unseat all 5 of the Board members. She called the Board of Election to find out the process of unseating board members and found that it takes 5% of the registered voters in order to put it on the ballot which would consist of 1,602 petition signatures in order to change it from a 5 member board to a 3 member board.

Jerry Hoffman asked about the declaration of the limited state of emergency that was voted on this evening. Ms. Teoli Kuhls explained that it relates to a snowstorm.

Marianne O'Connor spoke again stating that the fairest way is to increase real estate taxes which would fairly hit everyone and not the teenagers and those going to college.

Brian McClendon, Middletown Township resident asked if there is anyone present that actually favors the EIT. Mr. McClendon went on about increasing or having a healthcare contribution by Township Employees. Ms. Teoli Kuhls stated that employees contribute toward a deductible. The employees contribute 20% toward a high deductible plan and in addition contribute between 6 and 10 percent on a sliding toward the insurance premium based on their salaries. With regard to the Investment Fund, Mr. McClendon said that was from the sale of the Water and Sewer Companies and he believes that was not the Township's to sell. He is a resident that paid for the hookup of water and sewer and doesn't believe it is fair.

Scott Mealie, Maple Point resident is a CEO of a manufacturing company and serves on a non-profit board and the problem is the way the EIT was implemented with no opportunity for public input. He thanked the Board for what they have done, but they need to do better and he would not want their job.

Larry Pastor spoke again and pointed out that very early on the taxpayers requested to work with the Board on the budget process. He said that the 5 Board members are lacking in any kind of financial skill and Ritchie Webb of the Neshaminy School Board offered to help the Board as he runs a budget that is 5 times the size of Middletown's budget.

#### 23. Other Business and Announcements.

Next Board of Supervisors Meeting – Tuesday, January 21, 2014 @7:30 p.m.

Mr. Leonhauser commended the Department of Public Works for the great job during the past snow storm.

#### 24. Adjournment.

**ACTION: MR. MALLON MOVED TO ADJOURN THE PUBLIC MEETING OF THE MIDDLETOWN TOWNSHIP BOARD OF SUPERVISORS AT 9:25 P.M. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.**