

**MIDDLETOWN TOWNSHIP
BOARD OF SUPERVISORS
PUBLIC MEETING
APRIL 21, 2014**

PRESENT

PAT MALLON, CHAIRPERSON	}	
H. GEORGE LEONHAUSER, VICE CHAIR	}	
DREW KREILING, SECRETARY	}	BOARD OF SUPERVISORS
THOMAS GALLAGHER	}	
WILLIAM OETTINGER	}	
STEPHANIE TEOLI KUHL, TOWNSHIP MANAGER	}	
JOSEPH PIZZO, ESQ., TOWNSHIP SOLICITOR	}	
WAYNE KIEFER, P. E, TOWNSHIP ENGINEER	}	

1. Call to Order – Chairman Pat Mallon - Mr. Mallon called the meeting to order at 7:30 p.m.
2. Pledge of Allegiance – Girl Scout Troop 21273
3. Roll Call – Secretary Drew Kreiling – After the Pledge of Allegiance Mr. Kreiling called roll. All Supervisors were in attendance along with interested citizens.
4. a. Announcements, Correspondence, Awards and Reports. Mr. Mallon announced that an Executive Session was held prior to the Public Meeting to discuss Personnel matters and other issues. There were no decisions made or deliberation. In addition Mr. Mallon made the following announcements: The next Board of Supervisors Meeting will be May 12, 2014 and will be a special meeting to discuss the Pension Fund and will be held at 7:30 p.m. The next regular Board of Supervisors meeting will be held on Monday, May 19, 2014 beginning at 7:30 p.m. An Executive Session meeting has been set for May 6, 2014 for the Board of Supervisors to discuss personnel matters related to the Police Chief search.

Mr. Mallon announced that the Sports Block Party will be held Friday, April 25, 2014 at the Middletown Community Park beginning at 3:30 p.m. to 10:00 p.m. Mr. Mallon advised the admission is free and there will be many activities including softball and rugby games. The admission is free due to the sponsors, Real Living Ramagli Real Estate and Faulkner Mazda.

Saturday, April 26, 2014 – Earth Day is scheduled to begin at 10:00 a.m. to 2:00 p.m. at Core Creek Park. The Parks & Recreation Board joins with Newtown, Falls and Bristol Townships, Levittown Bowl and Bucks County Parks & Recreation to present this.

b. Proclamation – Local Government Month - Mr. Mallon read a proclamation proclaiming April 15 thru April 19, 2014 as Local Government Week in Middletown Township and April 15, 2014 as Local Government Day in Pennsylvania.

c. Recognition of Danielle Dustman for receiving Girl Scout Gold Award

Mr. Mallon recognized Danielle Dustman for receiving the Girl Scout Gold Award, the highest award you can receive as a Girl Scout.

d. Recognition of Fire Company and Rescue Squad Award Recipients

Mr. Mallon presented certificates to the following individuals recognizing the service they provide the community. He thanked each and every one of the recipients for all of their hard work and dedication for what they do for the community.

Charles Berk – Chiefs Award – Langhorne-Middletown Fire Company

Jared Watson – Firefighter of the Year – *Parkland Fire Company*

Ed Hill – Chief’s Award – *Parkland Fire Company*

Jeff Vurlicer – 30+ years of service – *Parkland Fire Company*

Brian Gallagher – Firefighter of the Year – *Penn del Fire Company*

Jay Moser – 40 years of service – *William Penn Fire Company*

John Kumbat – 35 years of service – *William Penn Fire Company*

Andy Boyle – 35 years of service – *William Penn Fire Company*

Dennis Mitchell – 40 years of service – *Penn del Middletown Emergency Squad*

Nancy Blank – 40 years of service – *Penn del Middletown Emergency Squad*

At this point Mr. Mallon requested everyone to stand for a moment of silence. Mr. Gallagher advised that Lou Spadacinnno passed away last week. Mr. Spadacinnno was a dedicated community member who worked tirelessly and was extremely charitable to any organization that asked him for a donation. Mr. Spadacinnno was the owner of Tri-State Engineers and Land Surveyors, Inc.

5. Public Comment. *Non-Agenda Items only.* (Maximum 30 minutes)

William Rutledge, resident of Langhorne Gables went into great detail about the drainage issues in his neighborhood. He presented the Board with drawings that he believes would alleviate the stormwater issues. The sketches he provided will get rid of the stormwater by picking up the downspouts from the houses and tying them directly into a drain pipe and then following it all the way down and putting it into the open drainage ditch. He believes this would cost less.

Mr. Mallon advised Mr. Rutledge that the best course of action would be to provide the drawings to Mr. Duffy and Mr. Kiefer for review and then come back before the Board with a feasibility recommendation.

6. Consent Agenda Items.

a. Consideration of authorizing payment of April 21, 2014 Bill List in the amount of \$1,636,439.39.

b. Consideration of approving the January 23, 2014 Minutes of the Public Meeting of the Middletown Township Board of Supervisors.

ACTION: MR. KREILING MOVED TO APPROVE CONSENT AGENDA ITEMS A & B AS LISTED ABOVE. MR. LEONHAUSER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

7. Consideration of authorization to advertise an Ordinance establishing no parking zone on certain portions of Golf Club Drive.

Ms. Teoli Kuhls advised that the Windy Bush Homeowners Association requested a no-parking zone on Golf Club Drive. The Police Department has looked into this request and they have no objection to moving forward with the no-parking if the Board wishes to approve the ordinance.

ACTION: MR. KREILING MOVED TO AUTHORIZE ADVERTISEMENT OF AN ORDINANCE TO ESTABLISH A NO-PARKING ZONE ON GOLF CLUB DRIVE. MR. OETTINGER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

8. Consideration of awarding the Big Oak Road Improvements Project Bid Alternate #2 and Items 1 and 2 of Bid Alternate 3 to James D. Morrissey, Inc., of Philadelphia, PA at a cost of \$937,567.

Pat Duffy, Zoning & Planning Officer said five (5) bids were received for this project. There were three (3) bid alternates. Bid Alternate #1 is rebuilding portions of the road with conventional road pavement consisting of 2" wearing course, 4" base course and 6" 2A stone with geogrid reinforcement. Morrissey price is \$790,967.00.

Bid Alternate #2 is rebuilding portions of the road through a full depth reclamation process (FDR). The FDR road pavement consists of 1.5" wearing course, 2.5" base course and 12" concrete layer. Morrissey price is \$886,567.00. Mr. Duffy explained this process and stated that with this improvement we can get a 15 to 20 year lifespan out of the roadway. Bid Alternate #2 is \$95,600 more than Bid Alternate #1, but we are basically doubling the lifespan of the roadway from 7 to 10 to 15 to 20 years.

There was also a Bid Alternate #3 which is the portion of Township Line Road from the Railroad Tracks to Township Line Road. Milling and paving will be done on that part of the road. James D. Morrissey was the low bidder for all three alternates.

Ms. Teoli Kuhls advised the Township has \$700,000 in grant funding from the RDA for this project and we also have a State DCED grant in the amount of \$339,000. Mr. Duffy also stated that by rebidding this project, the Township is saving almost \$300,000.

ACTION: MR. MALLON MOVED TO AUTHORIZE THE AWARD OF BID ALTERNATE #2 AND ITEMS 1 AND 2 OF BID ALTERNATE #3 TO JAMES D. MORRISSEY, INC. FOR THE BIG OAK ROAD IMPROVEMENTS PROJECT AT A COST OF \$937,567. MR. GALLAGHER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

Mr. Mallon thanked Senator Tomlinson and State Representative Farry for their assistance with this project as well as the members of the Bucks County Redevelopment Authority for their assistance in funding.

9. Consideration of award of the Consortium Heating Fuel Contract to Suburban Propane/Farm and Home Energy of Telford, PA, at an estimated cost of \$27,520 and award of Low Sulfur Diesel Contract to Superior Plus Energy of Exton, PA, at an estimated cost of \$69,772.

Ms. Teoli Kuhls advised that the next three agenda items are annual bids that are done through the Bucks County Consortium and are coordinated by individual member municipalities. The Township submits the quantities and it is bid for the entire consortium which includes a number of Bucks County municipalities.

ACTION: MR. OETTINGER MOVED TO AWARD THE 2014-2015 FUEL CONSORTIUM CONTRACT FOR HEATING FUEL TO FARM & HOME ENERGY D/B/A/ SUBURBAN PROPANE OF TELFORD, PA. AT AN ESTIMATED AMOUNT OF \$27,520 AND LOW SULFUR DIESEL FUEL TO SUPERIOR PLUS ENERGY OF EXTON, PA. AT AN ESTIMATED AMOUNT OF \$69,772 ON AN AS NEED BASIS. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

10. Consideration of award of Consortium Road Materials Bid to Eureka Stone Quarry of Chalfont, PA, at an estimated cost of \$81,700.

ACTION: MR. LEONHAUSER MOVED TO AWARD THE 2014-2015 CONSORTIUM ROAD MATERIAL CONTRACT TO EUREKA STONE QUARRY AT AN ESTIMATED AMOUNT OF \$81,700 ON AN AS NEED BASIS NOT TO EXCEED THE 2014 BUDGET FOR ROAD MATERIALS. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

11. Consideration of award of Consortium Sign Materials Contract to Chemung Supply of Elmira, NY, at an estimated cost of \$4,272.25; Garden State Highway Products of Vineland, NJ, at an estimated cost of \$9,512.08; and Protection Service of Harrisburg, PA, at an estimated cost of \$3,364.75.

Ms. Teoli Kuhls advised that this is a complicated award because there are so many different types of sign materials. Mr. Wendel, Director of Public Works tries to group categories as it does not make sense to buy related items from different vendors.

ACTION: MR. LEONHAUSER MOVED TO AWARD THE 2014-2015 CONSORTIUM BIDS FOR SIGN MATERIAL, POSTS, AND ASSORTED HARDWARE TO CHEMUNG SUPPLY, ELMIRA, NY IN THE AMOUNT OF \$4,272.25, GARDEN STATE HIGHWAY PRODUCTS, VINELAND, NJ IN THE AMOUNT OF \$9,512.08 AND PROTECTION SERVICE, HARRISBURG, PA IN THE AMOUNT OF \$3,364.75 ON AN AS NEED BASIS NOT TO EXCEED THE 2014 BUDGET SIGN MATERIAL FUNDS. MR. OETTINGER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

12. Consideration of enacting Ordinance #14-02, authorizing an amendment to the Precious Metals Ordinance. (This was duly advertised in the *Bucks County Courier Times* on April 14, 2014; proof of publication has been received.)

Ms. Teoli advised that this issue was addressed by the Board in November and authorized advertisement of the ordinance amendment. The ordinance allows the Police Department to access internet accessible electronic inventory tracking system and maintain and upload required information from transactions. It also allows the Police Department to require an annual fee.

Lt. John Michniewicz was available to answer questions the Board may have. Mr. Leonhauser asked if it is the intention to charge a fee to the dealers to offset the cost. The township only has five (5) precious metal dealers and they would not be funding the system although Lt. Michniewicz said

the option was written into the ordinance. Mr. Leonhauser asked if due to the way the ordinance was written has the Police Department made significant arrests. Lt. Michniewicz the department has and it is vastly improved with the electronic means now in place.

Mr. Gallagher understands the part about having only five (5) precious metal dealers in the Township and they can't fund the entire amount of the program, but wouldn't it be a good thing to institute the fee now and at least begin collecting some funds.

Mr. Pizzo said that would be a policy decision and would require an amendment to the fee ordinance as opposed to putting a set fee into this particular amendment to the precious metals ordinance. This ordinance amendment requires all of the likely participants, all of the precious metal dealers in the Township to be enrolled in the system and up and running on or before July 1, 2014. It may make sense to get everyone enrolled in the system, get the system up and running and in the meantime the Police Department can come back with a recommendation as to the assessment of a fee and what it should be.

Mr. Mallon directed the Township Manager to work with Chief Kane and Lt. Mellus and Lt. Michniewicz to come back to the Board with a recommendation on what the fee structure should be.

ACTION: MR. MALLON MOVED TO ENACT ORDINANCE #14-02 AUTHORIZING AN AMENDMENT TO THE PRECIOUS METALS ORDINANCE WITH DIRECTION TO STAFF TO RECOMMEND FEE. MR. LEONHAUSER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

13. Consideration of execution of a Memorandum of Agreement between Middletown Township and the Middletown Township Police Benevolent Association, resolving outstanding grievances.

Ms. Teoli Kuhls advised that she has been working with the Township legal team to negotiate settlement of four (4) outstanding grievances with the Police Department. She is pleased to report that middle ground on all four (4) issues has been reached.

Partial Rotating Shifts Grievance Arbitration – We agreed to create four steady shifts that will be staffed based upon seniority. Officers will bid for a shift, not a squad. Management retained the right to place officers with eight years or less of service on any shift. Arbitration will be cancelled and the union will withdraw the outstanding Grievance.

Exchange of Shifts Grievance Arbitration – We agreed to 15 switches per year per officer. Switches must occur within two adjoining pay periods. Arbitration will be cancelled and the union will withdraw the outstanding Grievance.

Heart and Lung Act/IOD Grievance Arbitration – We agreed to language changes to the HLA policy. Union will withdraw this Grievance.

Healthcare Grievance – Step 3 – Union will withdraw this Grievance.

None of these are specific financial items. They were all related to exchange of shift implementation of policy. Ms. Teoli Kuhls received a copy of a signed agreement from the PBA today. This agreement will clear the deck of all labor matters in the Police Department. Ms. Teoli Kuhls advised that by resolving these grievances the Township will be saving a significant amount in

legal fees. Each grievance arbitration would involve 15-20 hours of attorney costs just for the arbitration itself, not brief writing, etc.

ACTION: MR. LEONHAUSER MOVED TO EXECUTE THE MEMORANDUM OF AGREEMENT BETWEEN MIDDLETOWN TOWNSHIP AND THE MIDDLETOWN POLICE BENEVOLENT ASSOCIATION. MR. GALLAGHER SECONDED. MOTION CARRIED BY A VOTE OF 5-0.

Mr. Mallon thanked the Administration as well as the leadership in the Police Department as well as the leadership in the PBA for working together to get this resolved. As Ms. Teoli Kuhls stated it amounts to a considerable savings in legal fees and also establishes good precedent going forward with the incoming Police Chief.

14. Consideration of Resolution #14-13R, authorizing submission of DCNR grant.

Ms. Teoli Kuhls advised that this is a re-submission. This was submitted and the Township did not receive funding. This is for a DCNR grant for a master site plan for the Spring Valley Farm, which is a property that we acquired last year with open space funding. The property consists of 10.7 acres. This is a 50% match and is estimated to be a \$60,000 project. If the Township were successful in receiving the grant, we would be able to utilize funds that have been in the Parks & Recreation Capital Budget.

ACTION: MR. KREILING MOVED TO ENACT RESOLUTION #14-13R AUTHORIZING SUBMISSION OF A GRANT APPLICATION TO PA DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES FOR \$30,000 TO DEVELOP A MASTER SITE PLAN FOR SPRING VALLEY FARM. MR. LEONHAUSER SECONDED.

Mr. Oettinger asked if Penndel Borough involved in this. Ms. Teoli Kuhls advised that it is just Middletown Township. The property was acquired with Penndel Borough utilizing some of their open space funding. Ms. Teoli Kuhls is not aware that Penndel Borough is submitting their own grant.

MOTION CARRIED BY A VOTE OF 5-0.

15. First Quarter Financial Report – Dennis Penko, Finance Director

Dennis Penko, Finance Director provided a brief overview financial summary for 2013 as well as the First Quarter Financial Report for 2014.

The status of the audit is that the independent auditors, Bee Bergvall and Company have completed their field work. The audit is in the final stage and we are awaiting the preliminary draft report for review and once received Mr. Penko will be able to complete the management discussion and analysis as well as some statistical data with final documentation and sign off with a June timeframe.

The 2013 highlights: The total tax fund assessment fund revenues; 8 tax funds and the sanitation assessment fund total revenues had a shortfall to budget of \$260,000 or 1% of total budget. The real estate tax revenue collection rate came in at 98.46% and last year came in at 98.45%. Total tax fund expenditures are within budget -- \$761,000 or 3% below in 2013 adopted budget.

The General Fund revenues came in at 96.7% of the budget which was \$14.5 million or 3.3% unfavorable to budget. Revenue highlights – charges for services budgeted at \$1.7 million in total exceeded the adopted budget by \$300,000. The real estate transfer tax budgeted at \$750,000 exceeded adopted budget by \$211,000. Intergovernmental revenues budgeted at \$630,000 exceeded adopted budget by \$165,000.

The Investment Fund Transfer budgeted at \$1.3 Million was not made in 2013. That was a shortfall to budget of \$1.3 Million, which is what took the positive numbers to negative.

The General Fund expenses were \$603,000 or 4% below the adopted budget. Favorable to budget. Favorable expense line variances – workers compensation insurance \$163,000 savings to annual budget. The Police payroll and benefit expenses \$190,000 savings to budget. The Highway Department expenses \$66,000 savings to budget. Engineering, legal and auditing services \$78,000 savings to budget and property and liability insurance \$28,000 savings to budget.

2014 First Quarter Report

All funds are on track to budget with some minor exceptions. Revenues are on target for the first quarter with some minor exceptions. Cash flow has been maintained and is now stable. The Township eked through February and early March with cash down to \$300,000 without having to take a transfer from the Investment Fund. The expenses are tracking within the Q1 target.

The General Fund revenue is at 32% of budget; using a lineal target of 25%, we are over budget. The Real Estate tax revenue for all tax funds are booked at the time of billing per the Government Accounting Standards for collection. For the first 3 months of this year 13% has been collected through March. The Tax Collector actually billed the taxes in March.

Other major tax revenues – Mercantile Tax, Amusement Tax and Parking Tax begin to come in the second quarter and are budgeted at \$2.6 million.

General Fund expenses for Q1 are at 19% of budget below the target of 25% for the 1st quarter. Favorable expense line variances health care insurance is estimated to have a \$240,000 savings to the annual budget. Workers comp insurance is estimated to have a \$29,000 savings to the annual budget. Property casualty liability insurance is estimated to have a \$24,000 savings to the annual budget.

Unfavorable expense line variances – there are some minor unfavorable line variances but nothing notable for discussion at this time.

The Earned Income Tax (EIT) – It is estimated that \$4 million at a .5% rate. \$2 million was budgeted in first year revenue under the assumption that 50% will be collected in 2014 and 50% in 2015. Revenue assumptions begin slowly in the April/May timeframe as the employer withholding returns are due on April 30th and the taxpayer estimated returns are also due April 30th.

The Highway Aid Fund also known as the liquid fuels fund which is where we account for 98% of the snow removal expense. Snow removal costs are at \$267,000 year to date through March 31st which is 151% of budget including labor and salt. That is \$90,000 unfavorable to budget and we have the remainder of the year to go through.

The Investment Fund assets stand at \$39,350,000 as of March 31, 2014. That is slightly up from \$39,200,000 at December 31, 2013. Revenue for the three months is a net revenue of \$143,000. The Investment Fund is safely invested according to Second Class Township Code with the principal guaranteed if held to maturity, but subject to fluctuation based on market value. At December 31, 2013 the Fund is invested at 81% in U.S. Treasuries; 15% in U.S. Agencies primarily Ginnie Mae; 3% in a Certificate of Deposit that is backed by a letter of credit issued by the Federal run bank and 1% in cash.

A note on transfers from the Investment Fund to the General Fund - \$1.3 million in transfers from the Investment Fund were not budgeted in 2014 as the Investment Fund did not have sufficient income above the \$40 million principal to allow budgeted transfers to the General fund.

The Investment Fund emergency transfer is a special line item of \$2 million in 2014 will only be done if necessary. However, \$1 million was transferred at the end of 2013 that was budgeted because the Township needed the cash. The continued reliance on the Investment Fund to generate sufficient income to allow an annual \$1 million plus transfer of income into the General Fund is not sustainable during this current investment climate for fixed income security.

Cost reduction programs – Health care insurance competitive quote process and plan design change resulted in a \$240,000 savings to the 2014 budget. Workers' compensation municipal insurance pool continues to benefit the Township and also resulted in a \$29,000 savings in 2014 in addition to the substantial savings in 2013. Having this program also kept the brokers honest and working hard to deliver the best possible quote because they thought this was going to be the primary competition.

The fee schedule update is estimated to increase revenue by \$114,000. Currently looking at electric generation supplier analysis.

Mr. Mallon thanked Mr. Penko for a thorough presentation. Great work on Mr. Penko's behalf as well as the Township Manager in renegotiating some of the contracts saving funds, which speaks to the financial acumen that Mr. Penko and Ms. Teoli Kuhls have. Mr. Mallon said it is good to see that the Investment Fund is beginning to build up again as well.

16. Other public comment. (Only applicable if initial Public Comment period exceeds the 30 minute time limit.)

17. Other Business.

Mr. Gallagher commended the Department of Public Works with the way they are handling the potholes after this past winter.

Ms. Teoli Kuhls advised that with the launching of the new website the Township will be reaching out to the business community through the website. The businesses throughout the community will have the opportunity to be included in an electronic business directory. Ms. Teoli advised that a Business Enews will be launched in the near future.

Mr. Pizzo advised that several meetings ago the Board of Supervisors directed the Engineer to come in with a proposal for the stormwater drainage for the Langhorne Gables area of the Township. The Phase 1 plan is being worked on to address those areas that can be addressed including Clay and

Fir Avenues. Mr. Pizzo wanted this to be noted so that it didn't look like the Board was dismissing the resident that was up during public comment with suggestions on how to handle the drainage problems he is having.

Mr. Mallon said it is his pleasure to thank those individuals in the community that look to do things for others. The emergency responders, fire services and police department deserve the Township's accolades and thanks. It is also special when we have an opportunity to thank young people for doing the right thing. Mr. Mallon explained in a little more detail the project that Daniel Dustman did to achieve the Gold Medal in Girl Scouts.

Mr. Mallon announced the Sports Block Party scheduled for Friday, April 25, 2014 at the Middletown Community Park beginning at 3:30 p.m. to 10:00 p.m. He also advised that on Saturday, April 26, 2014 from 10:00 a.m. to 2:00 p.m. the Township will be celebrating Earth Day at Core Creek Park. He thanked the wonderful sponsors; Real Living by Ramagli Real Estate and Faulkner Mazda, and Brickman Landscaping.

Mr. Mallon publicly offered his condolences to Drew Kreiling and his family. Mr. Kreiling's father passed away two weeks ago to a brain aneurism.

18. Adjournment.

ACTION: MR. GALLAGHER MOVED TO ADJOURN THE PUBLIC MEETING OF THE MIDDLETOWN TOWNSHIP BOARD OF SUPERVISORS AT 9:02 P.M. MR. KREILING SECONDED. MOTION CARRIED BY A VOTE OF 5-0.