

Board of Supervisors – December 20, 2011

**TOWNSHIP OF FALLS
BOARD OF SUPERVISORS MEETING**

ROLL CALL:

ROBERT HARVIE, JR., CHAIRMAN	PRESENT
JONATHAN SNIPES, VICE-CHAIRMAN	PRESENT
JEFFREY DENCE, SECRETARY-TREASURER	PRESENT
PHILIP SZUPKA, SUPERVISOR	PRESENT
DOROTHY VISLOSKY, SUPERVISOR	ABSENT

The meeting commenced at 7:03 p.m. with roll call and salute to the flag. All board members were present with the exception of Member Vislosky. Also present were Township Manager Peter Gray, Township Solicitor Michael Clarke, and Township Engineer James Sullivan.

**ITEM # 1 CONSIDER ADOPTING 2012 BUDGET AND RESOLUTION
ESTABLISHING MILLAGE RATE FOR YEAR 2012**

Manager Gray asked the board to consider adopting the 2012 Budget. The budget was approved for advertisement on November 15, 2011. It has been on display at the Township building and on the website. In addition, a resolution has been prepared to establish millage rates for 2012. Chairman Harvie mentioned the most important thing to remember is that over a decade the tax rates have remained the same. Estimating the average township millage rate at \$216 dollars a year. We are very low compared to other townships. There is no fee for trash collection in Falls Township. Member Szupka said he wants to approve the budget for next year. He would like the board for next year to stay within the budget and not move or take funds from different accounts to make up for a shortfall. Member Snipes thanked everyone in the Finance department for all their hard work on the budget. With a balanced budget Falls Township is able to pay the bills that we have. Falls Township can maintain our services at a very high level as other Townships are cutting them. Falls Township is in excellent financial shape. It doesn't mean that there won't be some contingencies that could arise, but Falls Township is in good shape to handle those. The Board discussed whether it should shrink the road program or take it on a larger level. The Board decided to continue the program because costs for the coming years would be greater. The Board will look at each issue on the budget and do it the most responsible way. Member Dence also wanted to point out trash collection. Most Townships biggest expense, besides the Police force, is trash collection which we don't pay for. Chairman Harvie mentioned it is important to stay within your means in the budget. Falls Township is in great financial shape compared to most municipalities. Falls Township has an excellent financial team which can manage the money for the best interest for the community. Member Snipes made a motion to open public comment. Member Szupka seconded the motion; all board members were in favor. (4-0) Mr. Mariani would like to speak in regards to some of the highlights that pertain to our 2012 budget and some suggestions for future budgets. The income from the

Board of Supervisors – December 20, 2011

community is ten and one half million dollars. Of that, nine million and in another section, nine and one half million, will be used for the general fund. In addition, we are going to take a million dollars out of our reserve fund to balance the general fund. With these two transactions alone it will exceed 63 percent of our budget. Mr. Mariani understands the occasional use of host fees for such work as road programs and major repairs and replacements. A major concern is the ease and availability that our budget expenditures tend to exceed sometimes the purpose of our Township governments responsibility. It tends to reduce strict adherence to overruns and cost restraints. The boat ramp was \$208,000 over budget. The boat fees were only \$12,000 dollars. Are those fees going to support the boat ramp? The overtime cost he feels is excessive. Falls Township is going to receive a county grant for \$217,000 dollars which will pay for the M4 weapons and the K9 Unit. Are we going to reduce the \$374,000 dollars that we have in the budget to provide our police department with the same thing. The two areas we should look at in the 2012 budget are health care and pensions. The AP survey indicated that over 50 states have a combined \$690 Billion dollars in unfunded pension liabilities, \$418 billion dollars in retirement health care. Our health care expenses indicate about a 35% increase. The Kaiser family foundation reports the rules these days are a contribution to health care to be 20 to 30 percent. He is not sure whether our employees' contribution falls into that range. Also, he is questioning whether health care in the township follows Retires. He feels it's something we should look into. The pension plans paying a life time pension to Retirees at 45, 55, and 60 fiscally sustainable. We should look at establishing a defined contribution plan verses that defined pension plan. Mr. Mariani would like to see future budgets include a program to accumulate future income to be vested in secure accounts and cannot be used or be available for expenditures for normal operations or cover any deficiencies in our budgets. The Township uses taxes because it serves as a restraint on those people that are spending that money. The purpose of the fund is to provide perpetual dividend income to be returned to our residents. Mr. Roland Kenney wanted to say that Mrs. Reukauf did an excellent budget. At the last meeting a resident went after Mrs. Reukauf about the budget. Mr. Kenney thinks he should learn more about budgets before speaking on behalf of the budget. An excellent job was done by Mrs. Reukauf, Manager Gray and the Finance Department. Motion to close public comment was made my Member Snipes; Member Dence seconded the motion; all board members were in favor. (4-0) Chairman Harvie mentioned that Mr. Mariani made some great points and Manager Gray spends a great deal of time looking into pensions and health care. When we negotiate contracts with employees that are in the different unions, we take into consideration health care. The role of the government is to provide for the needs of the community. We are trying to balance out what we are doing to provide for the community. The grant that the Township received came in after the budget was already advertised. He would like to see some of those items that were budgeted to be put back in the long term restricted savings account. The Township has the ability to have some freedom with the grant to change things around. Member Snipes would like to keep open the option on long range planning to be discussed in the earlier part of the 2012 year. Member Snipes made a motion to adopt the 2012 Budget as presented; Member Dence seconded the motion; all board members were in favor. (4-0)

Board of Supervisors – December 20, 2011

Resolution 2011-25 is to establish the millage rate for 2012. Member Snipes made a motion to adopt Resolution 2011-25; Member Dence seconded the motion; all board members were in favor. (4-0)

ITEM # 2 CONSIDER COMAST CABLE AGREEMENT

Chairman Harvie presented the cable agreement for the township. Our Cable Advisory Board is here to discuss it. Mr. Brian Jeter, Senior Director of Government Affairs and Regulatory Affairs for Comcast in Bucks and Montgomery County is here tonight for the pending cable franchise renewal approval in front of the Board of Supervisors. The cable renewal process is a process in which is an act under Federal Law that allows the Township to renew the technical, legal and financial qualifications of the cable operator and identify cable related needs of the community. Those qualifications and needs make up the current agreement that are in the agreement tonight. It entails the customer and consumer protections, and the other regulatory language that is allowable and permissible under the cable act under the Federal law. Several examples that are in the agreement that I can address, in which one is the continuation of the government and education access channels, which we feel is an important related need for the community. In discussion, with both the Cable Advisory Board and the Township Administration, we were able to provide a secure grant to continue those services. Comcast continues to make significant investments into our Network with the Township and throughout the county. Comcast was able to do that without any regulatory oversight and any franchise commitment to do so. Comcast continues to invest in advanced technology and product offerings. We have increased broadband speeds and channels and products. Mr. Renson, Chairman of the Cable Advisory Board, would like to recommend to the Board that they accept the Comcast Agreement. Member Dence asked them to explain the \$20,000 grant that was mentioned. Mr. Jeter said they are providing the grant in order to support the existing education and government access channels. They thought it was important to put a grant together and make an investment since Falls Township has remained with us longer than most municipalities. There was no public comment. Member Szupka made a motion to approve the Comcast Cable Agreement; Member Snipes seconded the motion; all board members were in favor. (4-0)

ITEM # 3 CONSIDER AWARDING WORKERS COMPENSATION CONTRACT FOR YEAR 2012

Manager Gray stated the Township requested and received a quote for the Workers Compensation and Insurance for 2012. Our current carrier, Delaware Valley Workers Compensation Trust, provided a quote in the amount of \$379,589. This represents a reduction of \$8,845 from the 2011 premium of \$388,434. We also received estimates from two other carriers, Ace Insurance and State Workers Insurance Fund, but their rates were not as favorable. Their rates were \$457,000 and \$491,000 respectively. Forty-six member municipalities participate in the Trust. The Board is asked to consider Delaware Valley Workers Compensation Trust for Falls Township's Workers Compensation Insurance carrier for the 2012 year at a premium of \$379,589. Member Snipes said when we compare ourselves to other Townships, what do we attribute to have such a lower fee.

Board of Supervisors – December 20, 2011

Manager Gray said that our rates have historically been lower than our neighboring municipalities. The Township has programs in place to give training to employees and our loss runs have been stable throughout the years. Based on those and some marketing conditions we have been able to maintain lower rates. There was no public comment. Member Snipes made a motion to award the Workers Compensation Contract for the year 2012 to Delaware Valley Workers Compensation Trust in the amount of \$379,589; Member Szupka seconded the motion; all board members were in favor. (4-0)

ITEM # 4 CONSIDER APPROVING COMPUTER MAINTENANCE AGREEMENT FOR DYNAMATRIX FOR YEAR 2012

Manager Gray said that Dynamatrix provides computer related services to Falls Township. Dynamatrix provided a one year and also a two year proposal for services. The one year proposal is \$45,781. This represents a three percent increase from 2011. The two year proposal provides the same for the amount of \$45,781 each year. The Board is asked to consider either the one or the two year agreement provided. Member Szupka mentioned that we have been using Dynamatrix for years and have not heard of any problems with the company and recommends going with the two year program. Member Snipes said to Manager Gray that there must be problems everyday with computers. Manager Gray said computer problems can occur every day. Member Dence would like to see the two year agreement. There was no public comment. Member Szupka made a motion to approve the two year computer maintenance agreement for Dynamatrix for the year 2012 in the amount of \$91,562; Member Dence seconded the motion; all board members were in favor. (4-0)

ITEM # 5 CONSIDER APPROVAL OF TOWNSHIP'S TENANT LEASES FOR DYNAMATRIX AND VAUGHAN INSURANCE MANAGERS

Manager Gray said that Dynamatrix lease has been secured. The lease is a one year deal from January 1, 2012 until December 31, 2012. The rent is based on \$16.18 per square foot. Dynamatrix does receive a \$100 electric use credit per month from the Township for the servers housed in his office. Vaughan Insurance Managers is similar to the Dynamatrix agreement in that it is also \$16.18 per square foot which is also up for renewal. The Board is asked to consider both of these Leases. There was no public comment. Member Dence made a motion to approve the Dynamatrix lease for the year 2012; Member Szupka seconded the motion; all board members were in favor. (4-0) Member Snipes made a motion to approve the lease for Vaughn Insurance Managers for the year 2012; Member Dence seconded the motion; all board members were in favor. (4-0)

ITEM # 6 CONSIDER POLICE DEPARTMENT PURCHASE OF PRE-OWNED VEHICLES

Manager Gray stated that the Police Department secured two quotes for the purchase of two detective vehicles. This has been advertised twice and no bids were received on each occasion. The vehicles that were secured are as follows, 2008 Malibu and a 2010

Board of Supervisors – December 20, 2011

Corolla. The Board is asked to consider the purchase of these two detective vehicles at a cost of \$13,000 each for a total of \$26,000. Chairman Harvie asked if we are purchasing these from the same location. Manager Gray said we are purchasing both from Peruzzi. There was no public comment. Member Snipes made a motion to approve the purchase of two pre-owned vehicles at a cost of \$26,000; Member Dence seconded the motion; all board members were in favor. (4-0)

**ITEM # 7 CONSIDER ADVERTISING AMENDMENT TO CHAPTER 146
RESPONSIBLE CONTRACTOR ORDINANCE – BIDDING LIMITS**

Manager Gray is asking the Boards consideration tonight to authorize advertising of an Amendment to Chapter 146, Contractor Responsibility Certification. The state has passed legislation that will alter the limits for local government purchases and or projects that require public bidding that is effective January 1, 2012. This will affect Chapter 146, subsection 4 of the code. These rates qualify responsible contractor requirements. All contractors and sub contractors on any tier which perform work valued at over \$10,000 on any public facility or public work project including construction, alteration, renovation, repair, service or maintenance should meet their requirements of this chapter. The \$10,000 amount will be raised to \$18,500. The Board is asked to consider authorizing advertisement for this item. There was no public comment. Member Szupka made a motion to authorize advertisement of an amendment to Chapter 146; Member Snipes seconded the motion; all board members were in favor. (4-0)

ITEM # 8 PUBLIC COMMENT

Mr. Kenney said that the event at Holly night at Penn Manor was very successful. He also would like to thank Congressman Fitzpatrick and State Representative Galloway for getting things done and we should all back them. Mr. Hetzel wanted to thank Chairman Harvie for teaching him. He said it was not only an honor but a privilege to have been taught by him. Also, he stated that the taxpayers are getting their moneys worth by attending Bucks County Technical High School.

ITEM # 9 MINUTES – NOVEMBER 15, 2011

Member Snipes made a motion to approve the Minutes from November 15, 2011; Member Dence seconded the motion; all board members were in favor. (4-0)

ITEM # 10 ENGINEER'S REPORT

Mr. Sullivan said the 2010 Road Program punch list items outstanding have all been resolved to the satisfaction of the Township to the point where the project can enter the maintenance bond period which will last two years. If there are problems within the two years, it can be brought to the Township's attention. The 2011 Road Program continues with the storm sewer work on Winding Way. There will not be any substantial roadway reconstruction until the second week of March, provided the weather allows. The Senior

Board of Supervisors – December 20, 2011

Center Notice to Proceed will be issued sometime early in January and, at that time, will start construction. The new parking areas at the park have been completed. Member Szupka commented that he is glad to see the natural gas fueling station is moving ahead. Member Snipes noticed on the report Waste Management Wetlands Mitigation would like to know if it is constructed Wetlands. Mr. Sullivan confirmed that it is constructed Wetlands because of the expansion of the Turkey Hill landfill. Member Snipes asked what is the relationship between the expansion and the mitigation. Mr. Sullivan said the disturbed wetlands, as part of the expansion project, are required to mitigate the wetlands by creating constructive wetlands in the same area. Member Snipes asked how it is monitored or what are the regulations that affect that. Mr. Sullivan said that both the permits from the Conservation District and the DEP have to be secured. They will oversee the project for the most part. There will also be a final inspection from the Conservation District and the DEP when it is completed. Chairman Harvie asked whether the baseball field will be going in at Quaker Penn Park. Mr. Sullivan said that they just received the permits today. They will soon be issuing a notice to proceed for the contractor to start. There was no public comment. Member Snipes made a motion to approve the Engineer's Report dated December 16, 2011; Member Szupka seconded the motion; all board members were in favor. (4-0)

ITEM # 11 BILL LIST – DECEMBER 20, 2011

Chairman Harvie presented the Bill List for December 20, 2011. The Bill List is in the amount of \$1,945,235.98. Now, out of that \$1.9 million approximately one million is health insurance and salaries. Also about \$300,000 is for the road program and fuel cost is another one. There was no public comment. Member Snipes made a motion to approve the Bill List for December 20, 2011 in the amount of \$1,945,235.98; Member Dence seconded the motion; all board members were in favor. (4-0)

ITEM # 12 EXECUTIVE SESSION

There was no executive session held.

ITEM # 13 MANAGER COMMENT

Manager Gray said the Township received a letter from Cliff Bidlingmaier, President of the Fairless Hills Fire Department. Mr. Bidlingmaier is representing the Fairless Hills Volunteer Fire Department which is requesting that Falls Township Fire Department remain exempt from the taxes for 2011. The Board is asked to consider waiving these taxes for the entire year. Chairman Harvie explained that most Fire Departments do not get taxed, but Fairless Hills Fire Department has a cell tower on their property which they make money from. The county considers this taxable. Due to it being a relatively small property, the Board has passed this before. There was no Public Comment. Member Szupka made a motion to waive the taxes for Fairless Hills Fire Department; Member Dence seconded the motion; all board members were in favor. (4-0)

Board of Supervisors – December 20, 2011

Manager Gray said the Township received a letter from Jim Sullivan, T&M Associates, dated December 14, 2011 regarding Escrow Release Number One from the Towns at Oxford Falls. T&M Associates reviewed their request for the reduction of their Letter of Credit submitted by the developer's representative Mr. Michael Antanucci. Based on a recent inspection of the development, it has been determined the items have been completed. The Board has been asked to consider a Letter of Credit reduction number one for the Towns at Oxford Falls in the amount of \$344,772.71. There was no Public comment. Member Snipes made a motion to grant the Letter of Credit in the amount of \$344,772.71 escrow release for the Towns at Oxford Falls; Member Dence seconded the motion; all board members were in favor. (4-0)

ITEM #14 BOARD COMMENT

Chairman Harvie wanted to wish Happy Holidays to all those celebrating Hanukah, Christmas, and wishes everyone a very Happy New Year. He would like to thank the Fire Companies for bringing Santa around. Chairman Harvie would like to mention the Christmas tree pickup. They will be picked up on Saturday January 7th and 14th by Waste Management. After January 14th you may put them out with regular trash. Christmas trees that are over six feet please cut in half. Please take off all plastic and any ornaments. Chairman Harvie would like to mention Member Szupka and thank him for his service. Member Szupka has been one of the first Supervisors reelected in the history of the Township. He has been on the Board for 12 years.

Member Dence wished Member Szupka well, and thanked him for his years of service.

Member Snipes would like to mention that he feels the Board has a good list of accomplishments for 2011 and is looking forward to the 2012 projects. Member Snipes is looking forward to working with two new Board members and to mention the reorganization of the Board on January 3, 2012.

Member Szupka said this will be the last time he will speak to the residents from here. It has been an honor to have served on the Falls Township Board of Supervisors for the past 12 years. The notions people have on how the government works, you find out it doesn't really work that way. Sometimes people have the feeling it takes too long to do things, but there is always the checks and balances, and getting everyone to agree. Peace on earth and good will to all. It's been an exciting trip.

Member Dence made a motion to adjourn; Member Snipes seconded the motion; all board members were in favor. (4-0)

The meeting was adjourned at 8:08 p.m.



Jeffrey Dence, Secretary