

A special meeting of the Dallas Township Board of Supervisors was held on Monday, February 12<sup>th</sup>, 2018 at 6:00P.M. in the Municipal Building located at 2919 SR 309 Highway, Dallas, Luzerne County, Pennsylvania.

Following the Pledge of Allegiance, Supervisor F. Wagner explained that the purpose of the meeting was to discuss solely if the Township would purchase the property located at 105 Lt Michael Cleary Drive. He turned the meeting over to Supervisor B. Grant.

Supervisor B. Grant stated the purchase of the building at 105 Lt Michael Cleary Drive has been an issue with the Township for probably around a year and a half. What he wanted to go through, so the records are kept straight, was how we came to the decision to explore the idea of either looking at a larger or a new Township building. It all started when the Township participated in a DCED police regionalization study. We were involved with many of other Townships and Boroughs - Dallas Borough, Lehman, and Harvey's Lake. DCED did an evaluation of the cost and whether it would be prudent for us to regionalize our police force. All of the Borough councilmen and Township supervisors were very interested in this idea because they were hoping to save the boroughs and townships money and they felt a regionalization for the Back Mountain would give us more police coverage and the ability to add specialty areas such as a detective, a drug enforcement officer, and so forth. So the concept of the regionalization was an interest to everyone. We each began collecting data. DCED put together a plan or a budget based on our population and who would pay how much. When we got the numbers back, he and a few of the other municipalities felt the numbers looked a little low from the standpoint of the cost to run the program. They compared some of the other regionalization's forces including Pocono Regional Forces and some other forces, and they felt they just didn't have enough dollars in there and after spending some time studying it, he felt that there probably was an amount of \$600,000.00 that hadn't been accounted for. We decided at that point, as did some of the other townships, to back out of the regionalization with DCED. The three supervisors still felt that a police regionalization had some merit. We contacted Dallas Borough, who had also contacted us, in hopes of a regionalization because they have a smaller force somewhere in the neighborhood of five individuals. Their concerns were a number of their police officers retiring in the next one to three years and not being able to hire the qualified staff to build their police force. So we decided to explore the idea of joining together our police force with the Dallas Borough police force. We did an analysis and it came down to a situation of how we were going to house the police force. The value of the DCED report came down that for every police officer you have, you need to have roughly about two hundred fifty square feet per square foot for all of the requirements - office, armory, cells, conference rooms, interrogation room, and so forth. We looked at the possibility of having 15 to 18 police in our police station, and it didn't really make too much sense. Dallas Borough really didn't have the room, either, to house the police force. So the three Township supervisors, who at that time were Liz Martin, Frank Wagner and himself, along with our Township Engineer, Tom Doughton, decided to look at some options. At that time the building, presently known as Pro Rehab, was up for sale. We looked at it, and all agreed that it would not work for us because of its size. The building, itself, needed to be ripped down to the bare walls. It had mold and parking issues. It was in a great location, but for the amount they wanted, \$600,000 or \$700,000 he believes, just for the property, and they felt they couldn't swing that. In addition, we looked at the possibility of buying some land and building a new township building. We looked at the property adjacent to the present township building, the old Dallas drive-in owned by the Harkins, which has roughly about ten acres. The price at that time, he believes, was somewhere around 165 an acre and they wanted to sell the entire parcel. So we were looking at somewhere around 1.6 million or 1.7 million dollars just for the property. We didn't need that much. Plus at that time, the road wasn't really complete, and we weren't sure about highway occupancy permits and so forth. Looking at standard construction for a building 7000 or

8000 square feet at \$200 or \$250.00 a square foot, you're looking at a fairly large project compared to some of the other items. Approximately around October of 2016, the Hildebrandt Learning Center, from which he left employment in May of 2016, at that time, known as Bright Horizon, operated a regional office at that site. In June of 2016 he divested his interest in that building, for which he has a letter from the present owners. All documents filed in the state department, which he has copies of, show that he does not own that building and hasn't since June of 2015. He hopes that all of the rumors that have gone around, some of which were damaging to both him and his family, could be put to rest, because they really weren't fair. So, right around October, we found out that Hildebrandt was closing their office, and he suggested to the supervisors that they look at that building. We toured the building, and seemed like it had everything we needed – 8100 square feet. All three supervisors talked about it. He was able to give them information about the building because he had actually built the building. The addition was put on by one of our local builders, here, so we knew we had a good building. The building is roughly on 1.8 acres. We decided to put an offer in. The owners started asking roughly 1.5 million, which was way over our price. We offered 1.2 million and it went back and forth until we finalized at one million three hundred fifteen thousand dollars. We had an appraisal in 2011, for which he has a copy, vindicated the building at 1.6 million, and the cost to build the building was one million four hundred fifty thousand. So it was actually less than the appraised value and less than the construction cost. He sustained from voting, as advised by our Solicitor, because they did not want any indication that he had any interest in that building. The two remaining supervisors approved the contract with the owners of the building and we put a \$10,000.00 deposit down on the building. In addition, Supervisor Wagner felt we needed some additional land just in case we ever decided to expand or needed some more parking. So we also put a contingency in the contract that we had the rite on first refusal on the additional 2.5 acres which is directly behind the facility. We only had the rite on first refusal – we didn't have to put any additional dollars out. We went through the process probably the next six months, getting the appraisals, the legal work, to get all of the building completed. In the meantime, the building was not in Dallas Township. It was actually in Dallas Borough. When we had spoken to the Borough about possibly consolidating our police force, and indicated we did not have enough space to combine our police force, we told them we were looking at the Hildebrandt Building. Unfortunately it was in Dallas Borough, and according to the second class township, we are not permitted to have our township building in another borough or township. What we had to do was go to the Court of Common Pleas and file a boundary claim which would basically annex the building over to Dallas Township from Dallas Borough. Attorney Brennan worked with Attorney Malak and we worked with counsel, because we were very interested in having this happen and the Borough was very interested in us having a joint police force. That went fairly well, with no objections. As part of the annexation, Dallas Township was required to give Dallas Borough three thousand dollars a year to make up the difference in the real estate taxes and local service taxes that they were getting from that building. But, if we were to consolidate our police force in that building, one third of the cost of the police and building would be billed back to the Borough. The cost to finance the building with the USDA is approximately \$51,000.00 a year. It is a fixed rate loan for thirty five years. We allocated fifty percent of that, roughly somewhere around \$24,000.00 to the Police for which they will pay a third of that or \$8000.00. Even though we would be paying the Borough \$3000.00 for the taxes, the Borough would be paying us for reimbursement for using our facility to a tune of \$8000.00. So, basically, it was a wash. Supervisor Wagner and Martin voted on various sale contracts, applying for the USDA loan and at some of our meetings, some of our residents inquired if we had really had evaluated the cost on the renovations in the basement in order to get the police in their space. The upstairs is almost move-in ready. There is furniture that was left by Bright Horizons, relatively brand new, estimated probably well over one hundred thousand dollars left for the Township use. We hired an approved architect, to take a look at the downstairs facility and give us a cost on what it would take to renovate. Our police force were

involved in the design of what we actually needed. We were fortunate to have this particular architect firm, because they were also the architect on a recent police department in Drums. They had the expertise and knew exactly what was needed. They came up with a plan, for which we have drawings. The back part of the building upstairs was actually going to be administrative offices for the police department - the police, detective, and work areas. The downstairs, let us call it the work area, were going to be the showers, everything the police needed, the storage room, the armory, and so forth. One thing about the showers that we did not realize was that on drug raids, our police officers are putting themselves in danger. There could be traces of drugs on their clothing. They had to go to their own homes to take a shower. That is why we wanted to put the showers in. Approximately in June of last year, we had spent approximately forty to forty five thousand dollars of Township money on deposits, appraisals, legal fees. Frank came to Supervisor Grant at his house in June and told him he was no longer for the building. That was a shock. What they were faced with was a vote on the building, for which he had to recuse himself, one being a yes vote and the other being a no. We contacted the USDA to try to figure out what we needed to do as the next step. The USDA indicated to the supervisors that there were a number of township residents who had sent letters to the Inspector General of the USDA indicating the Township did not want the Township building, which also was a surprise to us. We were contacted by the USDA area representative, who requested a meeting with us. Tom, Frank, himself, and he believes Liz Martin, were at that meeting. They indicated that they were interested in continuing to finance the building for us and would hold the loan in limbo for us for a period of time. At that time, it was a 3.35% fixed loan for thirty five years for a million dollars, but they wanted a unanimous vote from the township supervisors before they would approve it. That brings us to where we are right now. In November, Frank indicated he would like to see what it would cost for us to renovate the present Township building as well as add additional space, parking, storm water, an additional garage, because what we were going to do if we moved down to 105 Cleary Drive, this building, which was originally a garage, would be converted back into a garage. It was indicated by our Road Master that we have 3 pieces of equipment that are out in the weather at this time. He also indicated that equipment that is garaged has a longer life span of 3 to 5 years. So garaging our equipment is definitely a plus. If we stay here and add on our required space, which is roughly 3400 square feet, we would have to lose our parking on the side of the police department and would have to add additional parking, which he thinks would be in front of the building. We would have to create imperious space for parking and all of the retention ponds because we don't have that now. We'd also have to take a look at our sewage treatment if we add four toilets and six showers. We are not sure our present system could handle that right now. We would also have to build on an additional garage, which was estimated to cost somewhere in the area of \$287,000.00. We would also have to add on an extended salt shed. We would have to watch all of the roofs that hold the water and make sure we have all of the detention basins to collect that water. Additional parking was estimated at \$40,000.00. That's where we are as of today. We had our engineer, Doug Trumbower, Tom Doughton, and Ryan Doughton, who is here today, do an analysis of this building and also take a look at the other building and come up with a cost for us to even renovate this building. Actually, the costs for the two are relatively close. To do everything we wanted to do in this building, we actually get a little less square footage. The Cleary building has 8100 square feet. We were going to lease a thousand square feet to Karen Boback for twelve thousand dollars a year. So our net cost in that building would have been reduced by another twelve thousand dollars a year. Ryan and his group came up with an estimate of \$1,867,000.00 to do everything on this site. The cost to purchase Cleary and do all we have to do as well as to convert the present Township building into a garage, which is estimated to cost \$170,000.00, would be \$1,973,000.00. The difference is \$105,000.00 - the difference being renovating here and purchasing the building. USDA told us in the meeting that our rate would not go higher than 3.75 but they quoted us 3.35% - So estimating what the USDA loan would be at 3.75% for a period of 35 years at a fixed rate, the annual amount that we would

be paying for the building would be \$51,340.00. Supervisor Grant said he had contacted two different banks and asked them what our loan would be if we did some improvements here in the Township and borrowed a million dollars. They gave us a rate of 4.25 for ten years fixed and it would be based on a 25 year annexation loan. After the ten years, depending on where rates are, we would have to refinance the loan. Right now to do it, it would be \$65,008.00. So it is \$14,000.00 cheaper per year on a budget standpoint to be down on Cleary Drive. But then you would also have to back out the \$12,000.00 we'd be getting from Karen Boback because we would not be able to have Karen in this building because we only have 7100 square feet here, where we have 8100 at Cleary Drive. Supervisor Grant said that that is where we are. He had copies for residents to take of the preliminary space program and costs for the buildings, the assignment of partnership interest he signed on June 30<sup>th</sup>, 2015 – transferring and assigning KQC Investors his entire ownership interest in Hildebrandt Leasing, a letter from KQC Investors stating neither he nor any member of his family have ownership interest in Capital Investors. Supervisor Grant said that if anyone had any questions, he would be happy to answer them.

Township resident Ann Davies said she had a question. She said when Supervisor Grant said that Frank had changed his mind, he kind of glossed over something. She questioned if it was wrong for Frank to have gone to Supervisor Grant's house to tell him he had changed his mind. Wasn't that a quorum with 2 supervisors speaking together to discuss business? Attorney Brennan stated they were not taking a vote or action, it was just a communication giving everyone a heads up on what he was doing. The final decisions were made at a public meeting. He could change his mind over and over before then. She also asked if we would be out the \$40,000.00 to \$45,000.00 we had already spent with Frank now changing his mind. Supervisor Grant replied that we will be. She questioned whether Frank would be paying it back. Supervisor F. Wagner said he was willing to spend a million two, and that was after that. After that, he washed his hands of all of it. Mrs. Davies said but he had spent the money. She asked him if he hadn't been the one to make the motion to buy the building for a million three fifteen. Supervisor Grant replied "yes", Frank had made the motion. Frank denied making the motion. Former supervisor Liz Martin yelled out that he had been the one to make the motion and that he should read the minutes. Supervisor Grant said just to be clean, the realtor is at tonight's meeting, and Frank had signed the sales contract for a million three fifteen, because it was voted on for a million three fifteen. The contract was signed by Frank and Liz. John Halbing asked if we would get that deposit back if we didn't go through with buying the building. Attorney Brennan said we would like to say that we will wait to see how that goes. There is a \$10,000.00 risk. Mrs. Davies asked if that would make the amount spent now up to \$50,000.00 to \$55,000.00. Supervisor Grant said no, that that amount was included in the \$40,000.00 to \$45,000.00 spent. A resident asked what the \$40,000.00 to \$45,000.00 had been spent on. Supervisor Grant said we had had the appraisal, surveys, legal fees with the annexation of the building, and court costs. Mrs. Davies asked Frank what had made him change his mind about purchasing the building. He replied that it was when the price went over a million two. Supervisor Grant said he believes it started out at a million two and went back forth and forth from there until we settled in at one million three fifteen. Again, Mrs. Davies said he had made the motion.

Mrs. Gruelick said that we had said we would be getting money from the police and money from Karen Boback - Where are these organizations getting their funding? Is it coming from the tax payers or is it coming from their own pockets? Supervisor Grant replied that he is sure Karen Boback is given an allowance as a state representative. Mrs. Gruelick asked again – and where does that money come from – our tax money! Supervisor Grant said the Borough's estimated 1/3 share of the building, based on population, or \$8000.00, that we would get for the police consolidation would be coming from the borough's tax payers' money. Mrs. Gruelick asked if we would be saving a lot of money on other tax payers' money. Supervisor Grant replied that when DCED did their combined report of the two, the

estimated amount of savings for the police consolidation was somewhere around \$130,000.00. We did not look into that closely with Dallas Borough as to how much they might be saving or how much we might. We knew we would have more police coverage and more police officers. We knew we would be saving money by consolidating – instead of needing two police chiefs, we would only need one police chief. Some of the higher salaries would be eliminated, as Dallas Borough indicated some of their officers would be retiring. Newly hired police officers to replace them would be starting at lower salary rates. We might have a savings of roughly \$100,000.00 between the combined forces. Both the police and supervisors felt we would have a much better and stronger police department since we are so close. We were looking at consolidating alone at first with Dallas Borough, and then possibly adding around municipality in the consolidation, until we eventually have a regionalized police force that would save the township a lot more money. Mrs. Gruelick asked why we even would have the loan that's \$51,000.00 a year if we are saving \$100,000.00 a year. Supervisor Grant said the nice thing about the DFCA loan is there is no pre-payment penalty, even though we have thirty five years out there. If we find that we are having surpluses or find out we don't spend as much money on the police force, then absolutely. We would be crazy not to. Depending on where interest rates, CDs could be higher than the interest rate of the loan. We should buy the CDs and not pay off the loan because we would be making more money on the interest of the CDS.

Someone asked what the total cost is to renovate and purchase the new building. Supervisor Grant said the estimated cost to turn the basement into a police department at the new building was \$315,000.00. So, with estimated closing costs, transfer cost, appraisal, architect preliminary drawings, and construction drawings, we are up to spending about 1.7 million dollars for the new building. In addition, we have to create additional parking, which is estimated to be \$30,000.00. In buying the new building, we still need to do storm water upgrades at the present Township building. That is estimated to cost \$70,000.00. We also have to convert the Township building to a garage and that is estimated to cost \$168,000.00. So the total estimated cost to relocate to 105 Lt Michael Cleary Drive is \$1,973,049.00.

Looking at renovating the present Township building, the estimated cost range for the addition to the Municipal building and the remodeling of the present township building is estimated to run between \$981,720.00 and \$1,214,028.00, depending on the cost of square feet. The total square footage of the present facility is 3795, while the estimated expansion that is needed would be 3375. The estimated cost for developing a new parking area is \$70,000.00. We will also need to add a new garage for the Road Department. Estimating the cost for a new garage, the square footage of the facility, the design and engineering, the total estimated cost is \$287,000.00. We will also need to construct storm water management systems. The total of the estimated construction costs, the design and engineering and the legal and approval costs is estimated to cost \$140,000.00. Because of the addition of the bathrooms and showers, we need to look at connecting a new sewer line to a pump station at the shopping center. Presently, we have a septic tank, and it will not be able to handle the additions. Total estimated cost for the sewer connection, which will include the design and engineering, the legal and approved costs, the estimated construction costs, and the pump station upgrade budget is \$75,750.00. We will also need to upgrade both the computer system and the phone system, along with purchasing furnishings. Total estimated cost to do this is \$60,000.00. During the addition/remodeling of the Police Department, we will need to provide them with temporary commercial space rental, which is estimated to cost \$15,000.00. So the total estimated project cost-renovation/expansion of the present Township site is approximately \$1,867,000.00.

Looking at the cost to finance through the USDA loan at an interest rate of 3.75% over a thirty five year fixed rate, the Township would be paying an annual amount of \$51,340.00. The cost to finance through

conventional financing at an interest rate of 4.25% over a fixed rate loan with a 25 year amortization, the Township will be paying out an annual amount of \$65,008.00.

A resident questioned how we were going to finance the other million dollars that will be needed in addition to the one million dollar loan to purchase the building. Supervisor Grant replied that the rest would be coming from our internally generated funds. We have three million dollars in the bank for the Township. So we would take it from there, leaving two million dollars in the bank. We have run surpluses every year for the last six years. Although we have not been audited yet this year, we are expecting a \$340,000.00 surplus this year. We took five hundred thousand dollars, and invested it in two cds at 1.65% for one year, and they will mature in April. We negotiated with the bank and for one year, all of our accounts have been getting an interest rate of .55%. It's set to end soon, and the bank has agreed to a .85% interest rate. All of our idle accounts are getting interest. For the year 2018, we have \$15,000.00 budgeted for surplus. It will probably even be a little more, because of our budgeting so conservatively. There is no way to know what will be coming in, in earned interest tax and real estate transfer tax. You probably wonder what we do with the remaining two million we have. We apply it to our roads and so forth.

John Halbing asked if the USDA only finances purchases and not renovations. Supervisor Grant replied that they do finance renovations. The problem is they won't transfer in this case because the loan was site specific. We had to go through a lot of hoops to get that loan. We had a number of meetings. Our rep here really had to sell it to Harrisburg. They only had, he believes, three point two million for this area. And we were really lucky that we were given a million of it. John asked if the rate has gone up now. Supervisor Grant said he didn't know what it is now, but that we had been guaranteed it would not be more than 35%. John asked Engineer Representative, Ryan Doughton, if the USDA loan was fixed on high end insulation, etc. Have we looked at what it would cost to renovate this building – would there be less utility cost to operate? Ryan replied that in the interest of not spending eternity plus money he was asked to do a cost comparison of the two buildings. All estimates were based on square footage costs. We didn't get as detailed with things, like, are we going to replace this condenser, etc. Supervisor Grant said they were estimates, which he felt, were probably closer on the building at 105 Lt Michael Cleary Drive because we know what has to be done. Renovating this present building, we really don't know what we are going to fine.

A resident asked for verification that the new building only pays three thousand dollars as county/municipality taxes. How can a relatively new 8100 square feet building only pay three thousand dollars in taxes? Supervisor Grant said it is only three thousand for municipal taxes. Dallas Borough was only looking for the amount that they would be losing. Us, as a municipality is tax exempt – we don't pay taxes. The resident asked how much money the county would be losing. Supervisor Grant replied that he did not know. Alan Pugh stated if the Township bought another piece of property, no matter where it is, the County would be losing out.

Alan Pugh said you have a potential to spend 1.8 million dollars to renovate this building that comes out one thousand square feet smaller than the building you wish to purchase. What your average building cost are two hundred plus dollars, so there's actually a two hundred some thousand dollar different cost, makes this a bad deal. Secondly, if you renovate this building, you don't own any new land or anything else. You'd be spending two million dollars and own one property. With the purchase of the other building, you'd be spending two million dollars but own two properties. Twice the equity. This would be a real estate deal that in his opinion, no one in their right mind would do. What he would do is make this its functional usage as a pole barn, that when previously renovated for offices, has served the

Township well. But why would you put this amount of money into this lot. You have a hundred right-of-ways here. You have a road through here. Your parcel is split in two. You have a gas line right-of-way, a water line right-of-way, an electrical line right-of-way, all sorts of different right-of-ways - and you really don't even know if you can expand. So, buying a fair amount of real estate himself, it would be a terrible deal to renovate this building and only end up having one property. Yes, it is tax money. Nobody ever thinks about what it costs to run a police department. There is an expense to it. But if you look at some other towns and what they have gone through, he is in favor of doing whatever he can to keep the police department running the way it does today. We have spent money for equipment over the years. They have great equipment – not every town is so lucky. The roads are in good shape. You have a great police department. That's why our crime rates are where they are. Our guys are featured on national television for crimes they have solved. Homicides – these guys work it. He's hoping the people show their support and give them the tools they need to do that. He has another question. He really would like to know what they signed, because Frank has made a big distinction. He asked Attorney Brennan if it was 1.2 or 1.315. What did we sign off on? Supervisor Grant looking at the sales agreement said it was 1.315, signed by Frank Wagner and Elizabeth Martin on 2-28-17. Alan told Frank it doesn't seem to match what they just heard. He said he really hopes they think about this. You made a decision to buy the building, and spent forty some thousand dollars of taxpayer money. He hopes this doesn't come down to being a campaign battle. He doesn't feel it's a good idea to renovate this building. You may decide to do nothing at all. Furthermore, he asked Attorney Brennan that if someone was out there spreading rumors that Mr. Grant was getting money back for this building, he would ask that Attorney Brennan has law enforcement investigate that, because wherever it came from, they need to be told. Or he would hope the Police Chief makes the appropriate calls. Someone should track that back where it came from, because it's just not right. Further, he hopes there weren't conversations and decisions being made in a driveway, because it violates the spirit of what this is meant to be. Mr. Pugh said he was really sad to hear at the beginning of the meeting someone question how long do we have to let people talk. This is a big deal. It's two million dollars – whether you're for it or against it. A lot of people gave their time to come here. Everyone's opinion matters, and he doesn't feel we should look to limit those ideas. Attorney Brennan said that in fairness, he should say, the decision was made not to limit it.

Clarence Michaels said he has to congratulate the Supervisors. When he looks at the millage, we are at 1.25. Dallas Borough is at 1.3. Lehman Township is 1.75, Kingston Township, 1.55. With all the things we purchased this year and paved, how did you come up with three hundred thousand dollars that you saved? How do we project that into the future? Supervisor Grant said that when he prepares the budget, he thinks it is very conservative. There was some ravishing up of the millage since he came onboard. Being in the Back Mountain is a very desirable place to live. There has been a lot of real estate transactions where we get the 1% transfer tax, which he has always budgeted very conservatively, and then collected more than what was budgeted. Also, the wage tax – we're getting more than actually budgeted. We have had a lot of savings. We decided to go with different pensions and company which saved us he thinks 43 basis points, almost twenty thousand dollars. Our police pension fund is number one in the valley today. We had a pension meeting just this morning. With the market being where it is, we only were down 2.25%. Our other pension fund is solid. We saved money over the years. We self-insured a portion of our health insurance. That saved us this year, almost twenty four seven thousand dollars. The health care came in with an 11 or 12% increase, which amounted close to about fifty thousand dollars. So what we did was go back to our police department and road department and asked if we might tweak a couple of these things – He then went back to Benecon, who provides us our Highmark, and asked what percentage we could save if we increased a doctor's visit from \$10.00 to \$25.00, a specialist from \$25.00 to \$50.00 and a few other health increases. We ended up dropping to

about 7%, saving us about thirty thousand dollars. So just some of the things we did last year saved us about a hundred grand just by managing that a little bit better. Last year we were able to purchase a new police car, a new dump truck with a plow, a new backhoe, an unmarked cruiser, and tasers and we still ended up with about a three hundred thirty five thousand surplus. We have over four hundred fifty thousand dollars for our new playground. In addition, our police chief, just last week, went to a grant training seminar, and said he feels whatever we decide, we can get some grants to upgrade the police department. Tom Doughton put in for our ADA grant, which came to a hundred thousand dollars, for the building down there, for the building of a new sidewalk and other construction. Clarence Michaels told him he feels he has done a good job. He asked how Supervisor Grant projects the millage and the future in about ten years. Supervisor Grant replied he did not know, but that the Supervisors, road master and township engineer representatives started to look at three and five year horizons. We would like to get all of our roads up to speed in three years if we can, we're contracting paving on 4 streets this year, and maybe down the road, we can even pave our dirt roads. When Supervisor Grant does the budget, he brings in Police Chief Higgins and Road Master Barry for their input, which he feels is very important. The Road Department is in pretty good shape. They are looking at another truck and a grader. The police are looking at selling some of their old vehicles and buying one new one, maybe selling our ice cream truck outside, as we call it. Our managers are running their departments and are really into budgeting now, because they understand that we have a fiduciary responsibility to everyone here not to increase taxes. Our average home selling price in the township is about one hundred eighty thousand dollars. The average home we collect is only \$240.00. We are only 6% of the tax amounts you pay. 67% goes to the School District and the rest goes to the County. We are a small part of your tax bill. Hopefully, if we continue to do next year what we're doing now, we won't have to increase taxes next year. He's projecting, hopefully, that we are going to have surpluses. Mr. Michaels said he can't see how we can go wrong if we're buying a building worth more than we're paying for it, and we can afford it.

John Halbing said he has been doing business with the township for thirty some years with his developments. He thinks when Frank, Phil Walter, and Glenn Howell were here many, many years as supervisors, they laid a great ground work to be very fiscally sound able and when Bill came in as supervisor, when Liz was here, they just expanded after that and got it even better. Getting back to the building, there are a lot of unknowns in this building, and it has been renovated over and over. The Lt. Michael Cleary Building, he feels, has a lot less unknowns. 90% of that building is done and operational. It already has furniture in it. The work that needs to be done is isolated to the basement for the police department. Here in our present building, we can say it is going to end up being 1.6 and end up spending another three or four hundred thousand dollars. From that side of it, he thinks the other building would be better. He questioned how the supervisors thought everything would be able to run with the road department up here and the administration down in the other building. Will it be a detriment? Supervisor Grant said he doesn't think so, it could be an issue. But today, with communication – we have the phone. John said equipment is so expensive and lasts longer when it is kept indoors.

Diane Drier said she would like to thank Supervisor Grant for the excellence and energy he brings to the township. He is really an asset to have here. She said we all know we are here because of the political football this issue this has been for the past six months to a year. There has been a lot of emotion. She is asking everyone to put that emotion aside, especially the two voting supervisors. We have to use logical, reasonable, and what makes the most financial sense for the administrative staff, the police department, the road department, and equipment. She asked particularly, Frank and Robert, to use logic, reason, and common sense to do what is right for the Township, that is what we expect of you in

your positions, and not to vote on the promises you made or said during the campaign. Do what is best for the Township with the information you have today.

Mr. Drier said we have been painting a pretty rosy picture of the Township for the last six years tonight. Let's not go backward, but forward.

Brenda Pugh wanted to reiterate what Diane had said and ask the supervisors to really think about the same amount of money and the different piece of real estate you will get with the other building. It really is a no-brainer. It is a whole different parcel and lot. If you want to sell it in the future as opposed to investing into this one spot, it financially doesn't make sense. Is the forty thousand dollars so small that we're going to throw it out the window? Or are we going to pay three thousand dollars every year because of an agreement we made, and it's in the township now. If a non-profit goes in there, you are not going to be getting any property tax on that building.

Supervisor Grant said one thing he wanted to say to his two fellow supervisors was they only had the information on Cleary and nothing on this building until Ryan did the cost analysis. Take that into consideration. There's nothing wrong if you change your mind based on new information, and that's what you have here. I don't think anyone would hold it against you based on the solid information and good reasons we got here tonight for purchasing that building rather than renovating the building here.

Police Chief Higgins said he is not only the police chief, who is concerned for his officers, but he lives in the township and has paid taxes for many years. His question was for Ryan. If we renovate this building, what happens in ten years if we outgrow it again? Will there be room to expand? Ryan replied he really couldn't answer that question. We have been waiting on a survey of the property that has been taking a lot longer than expected. There are a lot of easements, the gas line, the road way. Doug's question to the supervisors was what happens to the police department when their part of the building is renovated because the police officers can't be there then because of their certification. They can't have people walking through the department. Supervisor Grant and Ryan said they had estimated \$15,000.00 to move them temporarily to another spot, but at the present time, they are not sure where. Doug said he has been with the Township for 27 years, and feels the township has not always looked to the future in terms of growth as it should. The township is growing rapidly. The police department is growing. He now has ten officers and will have eleven as of July. In five years we might be up to 20 or 25 guys like Kingston. His concern is if we put an addition on and then outgrow it, what are we going to do? Are we going to sit here again in 5 or 7 years to determine what we are going to do? He wants the Supervisors to consider the growth of the department so we don't have to sit and go through this again.

The real estate broker who was brought in to consult with the Township to find land or property to fill their needs said every option in the Back Mountain within the Township was looked at. This building sits on 1.8 acres and is adequate in size presently for the Township. It can be further expanded on. They did insulate themselves by getting the option on an adjacent 2 acre parcel that if that property was nothing more than parking, they have the opportunity to further expand that existing building. Having that parcel next door, combining two of them, would eliminate setbacks, which would give them more land to do various things on. It was a long, tedious project getting that parcel annexed from Dallas Borough. Attorney Brennan really talked and worked hard with him. He said he never wants to go through it again. Everyone was focused on the best thing for the township.

Alan Pugh said just another note: You're out forty thousand dollars and one thing that I think is rather conservative - \$15,000.00 to temporarily relocate the police department and everything that has to go

with it. And still you only end up with one parcel. He wants the Township to stay the way it is. The police department to stay the way it is, protecting the people. Both the police department and the road department is well funded. The decision for this will be a big deal in the future.

Supervisor F. Wagner said getting back to the 1.2million – We had a meeting here with the USDA. I told him then that I did not want the loan. He told him his phone was ringing off the hook all the time with people calling and telling him they did not want the building. The USDA rep told the three supervisors to see what they could do – to go out and get some names as to whether they're for the building or against the building. He said he would give us thirty days. He, himself, turned in one hundred ninety seven names of those who were against the building purchase. The other two supervisors turned in twenty seven people that were for the building. Ann Davies asked if that was ever publicized, because she heard nothing about it. Frank said it wasn't publicized. Mrs. Davies said he went and got names without it being publicized and the people that were for the building knew nothing about it. It doesn't seem right. She would have signed it and she is sure others that were here tonight would have, too. Alan Pugh said Frank went and got names and made it a political thing, and it wasn't right. He would have felt better if a public meeting had been called where the people were allowed to speak, instead of Frank going behind the scenes. Alan said that was terrible. Supervisor Grant asked Mr. Michaels if he knew everything about the building when he had come to the open house. Mr. Michaels said he did not have all the facts then, and if he had, he would not have signed the petition against purchasing the building. He said the new building is never going to lose its value, but rather gain in value. Mrs. Grulick asked if the purchase of the building couldn't be put on the May ballot. Supervisor Grant replied that he had spoken to the owner today. We were originally supposed to have an answer to him last July. They gave us extension after extension but said today that we are down to only having days. They have other people who are interested in the building and they want to get it sold.

Mrs. Dreier again asked people to put aside their differences and everything else and to do what is in the best interest of the Township with the vision of looking forward. Supervisor Grant said a concern of his is looking ahead ten years down the road. What happens if Road Master Barry comes to the supervisors ten years down the road and says he needs some additional space. At least we would have the space here to do that and we would also have the other property as well with the option of purchasing the additional property. The police force may grow to the point that they need a building all of their own, and we would be able to build one right behind the new building. At least we are looking and giving options for our children and grandchildren down the road.

Mrs. Davies said there obviously must be some people against the purchase of the building but not one stood up here tonight and said so. Jan Goeringer stood up and said she, too, had signed the petition when they came to her house. She really did not have all the facts and she thinks if a lot of the people that had signed the petition had come to tonight's meeting and been told the facts, they, too, might change their mind. She said she really respects the Wagners' and what Frank has done for the past many years. But after attending tonight's meeting and learning the facts, she said, she, too, feels we need change. Mrs. Goeringer said she respects all the work Frank has done. She said she wished she hadn't signed the petition now. Someone asked just how the petition was presented to her, as she had stated it was brought to her house. Mrs. Goeringer said she believes it was brought sometime before the election, she wasn't sure. She has always been against raising taxes, and she was told their taxes would go up. The man responded that she had heard just one side until tonight, and after tonight, having heard both sides, she had changed her mind and was for purchasing the building. He suggested that we might be able to sign the purchase tonight with a closed eye and move on. Attorney Brennan said we have to know what we are signing. Someone yelled out that it had been proven tonight that

when it was originally signed, it was not known what was signed. Attorney Brennan said that the price had been on the contract agreement and that it had been signed. Mr. Pugh commented that it was 1.315 million despite the insistence that it was not. Attorney Brennan said he believes Frank had already spoke on that.

Supervisor Grant said a lot of rumors had been going around about how much money the Township had, etc. He said we try to get the facts out there. Tonight's meeting audience is the largest he has seen at a meeting since he became supervisor. He realizes everyone is busy. Perhaps the news reporters can help.

Elizabeth Martin stated she had an idea. Why doesn't Frank talk to the one hundred ninety seven people on his petition and ask them to come to a meeting and present the same information that was presented tonight, and see if the people on that list might want to change their mind once they heard the truth and the facts. Frank said he can't, it's too late.

Police Officer Gina Kotowski, stated she is someone who goes along with the daily operation of the police department. She wants the public to know the importance for the police to have more space. They deal every day with packaging evidence and drugs next to their counter. They can't get to their shotguns because they have boxes of papers and things all over. They can't properly interview victims, witnesses, because they have no place to take them. Showers might seem like a luxury, but there are types of scabies and hoarding houses they go into on a daily basis, and yes, her husband doesn't want that home, as don't other spouses. It's more than just that, it's the daily things that are becoming more impacted.

Attorney Brennan said he just wanted to make a comment. Looking in the back of the room, there are land use records. You can get an idea of how difficult it is to find room for them. But they are important. They're critical to our Township. The filing cabinets there – they are all full. The police records are upstairs on the rafters, unprotected and unsecured.

John Halbing said he believes when Frank originally formed his opinion about the building, he did not have all the facts. He feels it is clearer now, at least it is to him, buying the building seems to be a better choice – from a financial standpoint, from a long term service availability ten or twenty years down the road. He said he could understand why he felt that way – all you really knew about that building was the cost and you didn't have any facts on what it would take to bring this building up. He told Ryan that he really wasn't sure on his numbers. He knows, himself, from remodeling, that you estimate x and it ends up being z. Remodeling always costs more than you predict it will. And renovation on this building is a major remodeling. There is always something that changes the price. Someone asked about the septic system being updated. Township engineer, Ryan Doughton said there is \$75,000.00 in this budget. If the choice was made to stay in this campus, with the thought being additional people, it would overtax the septic system, and we're not really sure what is there now. If it is going to be updated, it is going to be a sewer line, not a septic system.

Supervisor Robert Wagner said he just wanted to say that when he went knocking door to door, talking to the people, he got negative feedback about the building. They didn't feel we needed the building. They asked why they are buying the building. Residents in the audience said it was because they didn't have the facts, just like he didn't. He listened to the people who he knocked on their doors. He spoke to many people who voted him in as supervisor for what he believed in, as he went door to door. The voters voted him in and spoke they didn't want the building. That's why he was voted in. He said he is

having a very hard time changing his mind “for” the building when he had all the support of those people. He said he feels the voters spoke, he listened to all of the facts, and he will vote for what is right for the Township.

Alan Pugh said how Bob ran his campaign was up to him. He heard a lot of rumors, of which he isn't sure were true or not true. He asked what was explained and given to the people to make them come to their decision.

Mary Rodriguez said the facts are right there. You don't remodel the old when the new is right there. It is not betraying the people. One hundred ninety seven people are just .2% of the people in Dallas Township. The margin of the votes was not that large. You're right next to Geisinger down there and the Trails. There are so many things good about that building. The price is scary, no doubt about it, but you're not betraying anybody. You are looking at the future for our kids.

Mrs. Dreier said she would like to speak directly to Robert Wagner. You have information now that you did not have back then when you were campaigning. But you do now. Supervisor Wagner said he was just given this information last week. Mrs. Dreier said the measure of a leader is someone who takes new information and acts on that, and not relies on something he promised in the past. You have important information that has just come to light as the result of considering renovation for this building. It is your duty as a supervisor to act upon that new information and make your decision based on that, not what was in the past. The past is the past. This is the present and the future. She is asking that he acts on this.

Bruce Goeringer said he was one of the people who had signed the petition. Based on the information he got tonight, he had felt that the cost for the renovation of this building would be far, far less. If the information we were given now is right, then the best decision for the Township is to buy the building. It's obvious to him. He respects the Wagners' for what they have done. If they vote to purchase the building, he will not think any less of them. He feels the people who signed the petition would feel the same way.

Mrs. Grulick said she didn't know anything about the petition. She didn't even know that we had an issue with this building and were thinking about possibly purchasing a new building. She was clueless. All of this new information just appeared today. She said she finds it too much to even fathom. Her head is spinning. Why didn't the community know? Why suddenly today we have all this new information? She is shocked. The people she knows in the Borough don't even know about the possibility of a regionalization with their police department. She doesn't feel a decision could be made today.

Supervisor Grant said there were a number of articles in the paper, it has been talked about at a lot of our meetings, and we have had two open houses of the building. It was advertised in the paper and on facebook. No one took an interest in it. They only had 27 people come to the building. It was easy to sign a petition but no one had the time to come to the open house. We had people who weren't for the building come to the open house, who when they left the building, felt it would be good for the Township.

Attorney Brennan said it is very hard to get people to be interested in something, because everyone is so busy today. It's important to us, because we see it on an everyday basis. He can, however, say that every effort was made to get the interest. It was brought up at all our meetings. The agreement of sales

was executed a year ago. We have reached a point where we have to bring this to a close, in fairness to ourselves and the seller of the property, who has other people interested in it. We have asked for a little more time again and again, and we have now run out of time. He is sure everything could have been done better, but we tried to do the best we could to get the information out and explained. He is grateful the supervisors did not put a time limit for the people to speak. Everyone had an opportunity to speak. If you are prepared tonight to take a vote, the process for the vote will be: first, as every time in the past when a vote was taken, Mr. Grant read and signed a conflict of interest abstention memorandum, which he will do. That leaves two supervisors able to vote and it gives a quorum. Next, I am going to ask for a motion that will say – “a motion to conduct the vote”. It will be moved, seconded, and passed. Then he is going to ask for the vote. We will either go for the agreement of the sale or we won't go for the agreement of the sale. If there is one “yes” and one “no” vote, according to the statute, Mr. Grant would be able to come in and vote to break the tie. Attorney Brennan said he has respect for all of them. They work for pennies. When it comes right down to it, every vote, even when there is just one vote to be taken, as it was said so perfectly by Mrs. Dreier, “every vote has to be taken in the moment in the best interest of the Township, today, tomorrow, ten months from now, ten years from now.” That is all we can do and all anyone can expect of us based upon what we know or what we think at this time. Attorney Brennan said he knows they will all do their job diligently. He said he knows he is given them the urgency of time. If they want to take a few minutes, not to deliberate among themselves, but just to take a few moments to think about things, we can do that. He doesn't want anyone to feel they are being rushed into anything. He said he was once asked to take someone outside for a few moments so that he could absorb all of the information. We can do that, too, tonight if you want, so that you get it right for yourself and for the Township. He asked Mr. Grant to read the disclosing of his potential conflict and have it put into the record. Mr. Michaels said he would like to say something. With all the discussion and information given tonight, especially for Bob, who was given a lot of information that he hasn't had before, he thinks it's precipitous for them to vote tonight. They should have some time to reflect on it and come back. Attorney Brennan said he is going to give them that opportunity. He is going to explain the process – The first thing I am going to do is ask Mr. Grant to read his abstention memorandum. Then I am going to say “we're going to have a motion, do you want to have a vote at this time, and then we will have the vote. He said he has to say, that if we don't have the vote tonight, we are in a tight timeframe. He doesn't want to pressure anybody. He is going to leave it up to the Supervisors to make that decision. If we don't make the decision tonight, we will have to have a special meeting called within forty eight hours. With that, he will have to contact their counsel and everyone else. He asked Mr. Grant to read his memorandum. Supervisor Grant read: “Pursuant to Pennsylvania's “Public Official and Employer Ethics Law”, 65 PA.C.S.R. 1101 et seq., I hereby declare that I am required to abstain regarding the following issue, motion resolution: Whether Dallas Township should purchase the property situated at 105 Lt. Michael Cleary Drive, Dallas, PA (the “Property”) pursuant to the Agreement For The Sale of Commercial Real Estate dated February 28, 2017 which the Township entered into with Hildebrandt Leasing, a Pennsylvania General Partnership. My conflict/reason for abstaining is as follows: I was at one time a member of Hildebrandt Leasing, the present owner of the Property, but I sold my interest in Hildebrandt Leasing in May 2015 to Matthew Marceron and Hal Kaplan who are now the remaining partners of Hildebrandt Leasing. I am still a partner with Mr. Marceron and Mr. Kaplan in BM Partners (the owner of the adjacent Geisinger Building) and in Dorchester Land Development (the owner of approximately 11 acres adjacent to the Property). Finally, my daughter was employed by Bright Horizons, part time, which purchased the business of Hildebrandt Learning Center and which was occupying the Property as a tenant through May 31, 2017. Neither my daughter nor my son-in-law, who previously was employed by Bright Horizons, nor Bright Horizons, has any ownership in the Property. Attorney Brennan thanked him, and then asked Supervisors F. Wagner and R. Wagner if he had a motion, do you want to have a vote taken at this time

for the purpose of the Township purchasing the property at 105 Lt. Michael Cleary Drive pursuant to the agreement of sales which the Township entered into on February 28<sup>th</sup>, 2017 with Hildebrandt Leasing? We'll either make this motion or instruct him as to how they want to proceed. If you choose to defer, we have to give twenty fours notice of any public hearing. We would have to send the meeting notice to the newspaper tomorrow before 2P.M. and then we can have the meeting on Wednesday. We could do it that way at 6:00P.M. So, he said, he has explained the motion to the two supervisors. They are to make that decision. Do you want to call a motion now to have the vote or do you want to say you don't want to make that motion at this time, Tom, I prefer we intervene on Wednesday at 6:00P.M. Someone in the audience asked if it would be inappropriate for the two gentlemen to confer privately for a few minutes. Attorney Brennan replied "No, the thing is you cannot deliberate, except in public. They can talk about things, and mention about things, it is the deliberation that is the thing they can't do, so we couldn't do it that way." He stated he is leaving it up to the two Supervisors. "How do you want to proceed – and do it in the open, if you would." Supervisor F. Wagner answered that "we can do it right here." Attorney Brennan said "Okay, you have heard the motion that I have proposed. Do you make that motion?" Supervisor F. Wagner stated "I make the motion to have a vote on whether to purchase the property on Cleary Drive or not to purchase it." Attorney Brennan asked Supervisor R. Wagner if he seconded that. Supervisor R. Wagner responded that he seconded that motion. Attorney Brennan asked the Supervisors if they both agree that we have the vote now. They answered "yes" and Attorney Brennan said "let the records show that they both agreed to have the vote now." He went on to say that "what we are asking of the vote is – Should the Township purchase the property at 105 Lt. Michael Cleary Drive, Dallas, Pennsylvania, pursuant to the sale dated February 28<sup>th</sup>, 2017, which the Township entered into with Hildebrandt Leasing Pennsylvania General Partnership. How do you vote, Frank?" Supervisor F. Wagner replied "I vote no, I don't want Cleary Drive." Attorney Brennan asked "Robert, How do you vote?" Supervisor R. Wagner replied "I also vote no." Attorney Brennan replied "Okay. Let the record show the vote was taken." Supervisor F. Wagner made a Motion to adjourn. Motion was seconded by Supervisor R. Wagner and carried. The meeting ended at 8:00P.M.

Respectfully submitted,

Nancy Y. Balutis, Secretary-Treasurer