

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

The regular meeting of the General Municipal Authority of the Township of Manheim was held on Friday, July 18, 2003 at 7:30 a.m. at the Manheim Township Municipal Building, 1840 Municipal Drive, Lancaster, Pennsylvania. Authority members present were: John H. Kadel, J. Michael Flanagan, Harry Ritter, Roger St. Germain and Elmer Wagner. Also present were Solicitor William McCarty of Hartman, Underhill & Brubaker, Engineer Gerald McClune, Finance Officer Valerie A. Calhoun, and Township Manager James M. Martin. There were 22 people in the audience.

The minutes of the April 25, 2003 meeting were approved as presented on a motion by Mr. Wagner, seconded by Mr. Ritter. Motion carried unanimously.

The financial reports for April, May and June, 2003, were accepted on a motion by Mr. Ritter, seconded by Mr. St. Germain. Ms. Calhoun explained that there really was nothing significant to report, however, there is a quarterly report for the first time for the loan proceeds. Mr. Flanagan asked a question – he said there was a new line item in receipts to the soccer club, and he said he didn't notice that one before. He asked if that was the payments that the soccer club will be making over the years for their field up there, their contribution. Mr. Martin answered yes. Mr. Flanagan asked if the Baseball Association will be doing the same thing. Mr. Kadel answered yes, it will probably be the same idea. Motion carried unanimously.

After general discussion of the invoices, the following bills were approved for payment, on a motion by Mr. Flanagan, seconded by Mr. Ritter:

Hartman, Underhill & Brubaker LLP.....	\$1,177.17
Arro Consulting, Inc.	2,943.95
Lancaster Newspapers, Inc.	1,075.40
Trout, Ebersole & Groff.....	2,325.00

Mr. Flanagan explained that it's been a long time since the Authority has had an audience, and for the benefit of the audience, he explained the bills: the Hartman, Underhill & Brubaker bill is mostly for the legal work on the baseball association portion of the Overlook Foundation, Arro Consulting (he then introduced Geri McClune) and said Arro does our water lines, which is one of the things the Authority does (he said they'd be amazed at the little places in the Township that really don't have public water, so every couple of months we need some engineering for places like that), this particular time it's engineering for Blossom Hill Road and Martha Avenue because surprisingly a couple of places do not have public water, Lancaster Newspapers is mostly for public advertisements that they are required to do, and Trout, Ebersole & Groff, the auditing firm for the Authority.

Motion carried unanimously.

Mr. Kadel explained that the next item on the agenda is the bid award for the Miniature Golf Course. He asked Darrell Lovelette, Director of Parks and Recreation, to make a presentation on how these bids were received and what the different amounts were.

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

Mr. Lovelette said the firms that did submit bids submitted plans too for their design of the course. He said they got out the bid back in June for the construction of an 18-hole miniature golf course on the Foundation property. The firms that were invited to bid – it was a design-build project. They were given a 30,000 square foot footprint and told that the area would be rough-graded; they were given a rough-grading plan that was included in the bid package. He said the preliminary cost estimate that they were anticipating for this project was about \$312,000. Of that \$312,000, \$19,000 of it was in a phase two contract ...Horst is now doing on the roadwork, and that was for the rough grading of the footprint. The other \$293,000 was anticipated for the construction of the course. On July 16th there were three bids received: Doug Lamb Construction came in with a bid of \$371,500, Atlantic Miniature Golf came in with a bid of \$298,000 and Harris Miniature Golf came in with a bid of \$239,000. With the \$239,000 plus the \$19,000, the net would be paid to Horst for the rough grading, to make a total of \$258,000, versus the estimate of ... \$312,000. He said the design that they submitted is on the board.

A member of the audience asked about additional parking. Mr. Lovelette answered as part of the design of the whole area (which he indicated) of the double-ended range, etc. there is design for a parking lot, that includes miniature golf. A member of the audience asked if that cost is included in his figures. Mr. Lovelette said the figures he just stated were for the design-build, the construction of the course. Something else was said but it was inaudible. Mr. Kadel used the gavel. Mr. Martin asked the audience to please say who they are because the minutes are being taped. Those questions that are being asked can be answered later. There was more discussion, possibly about parking, but it was inaudible.

Mr. Martin said he would respond to the question about the parking. He said the Township Commissioners are building the infrastructure on the site. Earlier in the year they prepared documents to receive bids for the road and parking, which was a part of this site. He said all they were talking about today was the miniature golf. The unit price for the contract was the total cost on the whole site ... not broken out per square foot yet to say the road is this, the trails are this, or the parking lot is this. A member of the audience asked if he would agree that there is a cost to ... Mr. Martin answered definitely. He said it is not in this because they were only talking about the miniature golf. The parking lot is a part of the bid for the infrastructure... The member of the audience said but they don't put the parking lot, if they don't put the miniature golf in they don't need parking. Mr. Ritter said the parking lot will be put in anyway because the parking lot will serve the soccer fields, the baseball fields. Several people spoke at the same time and Mr. Kadel used the gavel. Mr. Martin said we have a meeting going on here and asked those in the audience to please address this, and if they don't like the answer to ...

A member of the audience said they just got this proposal last evening through one of our Authority members here. He had a chance to run through it late last night. He said he thought everybody was here for this particular item, and asked if he was correct. There was murmuring. He said a lot of the people here have been following this just as citizens through various Commissioners' meetings and Foundation meetings. He said he didn't know procedurally how they do this, and said, by the way, he was Mike Flanagan. He said he

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

thought that all of the people who have shown an interest and taken the time to follow this ought to be given this proposal and they ought to really discuss it fully with everyone, because this is something ... There was applause. There was more murmuring.

Mr. Kadel said he would throw this open for questions or comments at this point. He said if anyone would like to make a comment, to please step forward and speak into the microphone. The conversation will be taped, and he'd like them to state their name and address.

Ms. Charlotte Fischer of 1010 Hunsicker Road passed out papers. She then read the following into the record:

“Dear members of the Manheim Township Municipal Authority:

I am an active volunteer in the organization SURGE. We'd like to discuss some issues which relate to this meeting this morning:

Volunteers from our group have virtually attended Commissioner meetings, Overlook Foundation meetings, school board meetings over the past few years. We followed the miniature golf venture in 2003, because that is technically when it came to the forefront.

- It originated as a prospective venture by the Overlook Foundation board, with the intent that it would produce income for other Foundation property activities.
- On February 18, the Overlook Foundation voted to forward this prospective venture to the Commissioners. Purpose: determine if the Commissioners would be willing to back up any loan for the initial installation.
- A legal notice for a \$1M loan was published and a public hearing was to be held at the February 24 commissioners meeting – an administrative session. As to be expected with an administrative session, very few were in attendance, in fact there were only two, one of them being me.
- The Township solicitor, Bill McCarty, did read the legal notice. They asked for some input from the audience. Shari Bellafiore and I both commented; both to the negative. The commissioners voted to approve the loan.
- If P.J. Reilly of the Intelligencer Journal had not followed with an article on municipal golf, the public knowledge on this issue would be considerably less than what is currently.
- At each meeting where the public would believe they are going to discuss the venture, they would be told you are at the wrong board meeting. At the Commissioners meetings, we are told “the Commissioners are only guaranteeing the loan that the Municipal Authority is securing. The Commissioners have nothing to do with this project on the Foundation

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

property." At the Foundation Board meetings, we are told that "the Municipal Authority is the board that is putting out the RFP, hence it is your project. We have nothing to do with whether it is approved or not."

- Because the Municipal Authority is the one providing the money for the capital costs, the other two boards are claiming that it is the Authority's project, when in fact you have virtually nothing to do with it except secure funds:
 - A desire for the complex originated with the Foundation Board
 - The feasibility studies and projections were conducted by the Foundation Board
 - The Foundation board, not the Municipal Authority, has heard the questions and concerns from the public about this project. At the board meetings, we have heard one resident speak in favor, most opposed.
 - Parks and Recreation will operate the facility with the grounds.

Points that we would like you to consider are:

- Government should not create recreational or other facilities that will compete directly with viable private operations unless there is an exceptional reason to do so. The private sector generates taxes, the public sector consumes them.
- Taxpayers should not be forced to underwrite a miniature golf course that may or may not make money.
- Are there contingency plans in place if this venture loses money, or is it merely another tax liability? And if you saw this morning's papers, projected loss. Who of you would invest \$250,000 to have a ...?
- There is not business plan available for the public, or the Authority to review with ample time, as Mike you so soundly said, you received it late last night, without ample time to make a decision.
- The current location of the miniature golf course is directly adjacent to the Stoner house, which is currently being evaluated for historic presentation. Is this the best place for a commercial facility?
- The information provided to the Municipal authority to this point is inadequate to make an informed decision. Plans have changed, the complex has grown, and the initial feasibility numbers and revenue projections were to be reevaluated and revised. Less than three days ago, the numbers were not even completed for you to have.

We recommend the following:

- Do not award a contract today – take the ample time to review all of the materials you have been provided, and request information that you feel would make this more helpful to make your decision.

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

- Delay the awarding of a contract until such time that the Overlook Foundation board has held the dedicated public meeting on this matter, thereby assuming the ownership of this project is taken and satisfied the concerns of the citizens or the residents.
- If the Municipal Authority is going to be part of the financial process for the Overlook Foundation property, maybe some of the members of your board should attend the meetings more regularly or regularly, and assume a seat on the board so that they are adequately informed. And I know Harry you are on that Board, I mean Bledsoe is on that Board. OK that's true.

The Overlook Foundation property was purchased to bring the community together. Please help the Overlook Foundation's projects represent the values of this community. This cannot occur while the "shell game" of "it's not our project, don't talk to us" continues. Right now, everyone in the township is looking to. We want you to make the next move, and we want to do a decision that you are ready to make."

There was applause.

Mr. Larry Gagnon of 1723 Santa Barbara Drive addressed Mr. Kadel and his fellow members of this Authority and said he pleaded with them to upgrade the professionalism and get a little bit more order on addressing a very serious matter that concerns all of us as to whether or not we are or aren't going to be going in the hole financially with this proposition. He said he has followed and attended many, many meetings with the Commissioners and the Overlook Foundation ever since this was ... happened. He said he attended Commissioners' meetings... Commissioner Ritter, he said a couple of months ago, he thought Commissioner Ritter was unavailable at that meeting, and he asked a question: Commissioners, will you support a miniature golf operation on the Overlook Foundation property, if it is not profitable? The unanimous response from the four Commissioners at that meeting was no. He said he pleaded with them to try and get Township as a residence, as the residents' representative, that on a more professional basis. He said they have gotten a run-around at these meetings, as Charlotte has so aptly described. He said they cannot get answers. They've asked for information and projections on whether it's going to make money or not, and get nothing. He said he understood that she did a very good job. This information has only been available the other day, after the Foundation meeting, where the public can't ask questions. He said he asked them as fellow residents, is this the way we develop a sense of community? Is this the way that we want ... interact with each other? Can't we have a much higher interaction with the information, so that when they with their legal responsibilities to make not only a knowledgeable decision based on the facts, but the input of their neighbors. He asked how they can receive the information one day in advance and then be expected to come in here. And this project – is this the first time that it has been seen by anybody in public. Mr. Martin answered no. Mr. Gagnon asked is this document, right here? Mr. Martin said that by itself, yes; other plans have been shown at the Foundation meeting. Mr. Gagnon asked why wasn't this available Tuesday night at the meeting. He said he pleaded with them – take the time,

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

let them be involved, let them talk to each other and reason on whether or not if this is going to make money or not make money. With all of the things that are coming at us, out of our tax pockets, locally from the big project up at the school house, the state situation, the lack of money here and there, with our kids losing their jobs, with all the problems that we're facing financially and economically, he said he pleaded with them to please not make a premature decision on this. Take the time to study ... to make sure that as the Commissioner said this is going to make money, that they are in a situation that if they were investing their own money, and it is their own money because it is our money, it's tax money that has to back this up, that it's going to be successful. Please, please help us restore some professionalism to the way we're operating in here and we can go forward and build a better sense of community ... bring us together instead of get us three or four different pages. He thanked the Authority and there was applause.

Cindy Fairchild represented Village Greens Miniature Golf Course as well as at least six other, five other miniature golf course operators in the area. She said she just wanted to double check and asked Mr. Martin ... said she did submit copies to him yesterday copies that he requested at the Foundation meeting, updated copies of their projected incomes for the coming year. She said she did get those to him yesterday and asked if they were distributed to the members of the Authority. Mr. Martin answered that yes they were. She said so the Authority did have copies of the updated figures, she wanted to make sure that they did have those. She said she just wanted to stress to them again that she was here because this is a project that is competing against private enterprise. She said she was private enterprise, as well as these other courses. She said this project will affect her income, no questions, it will affect her income because they will be competing with her. She said if any of them on the Authority have questions about whether or not this is competing with other courses, she said she did have available with her, she didn't bring copies of it, the original information that she gave to the Commissioners and also the original information that she gave to the Foundation Board, which was about a ten-page report. And, on it it showed why they would be competing with other businesses in the area. It will affect other businesses in the area. If nobody in Manheim Township, oh gee, none of us live in Manheim Township, too bad, but she said their businesses do serve residents of Manheim Township very adequately. She said she just wanted to stress to the Authority again that it is not just her standing here, the information that they received has numbers from five other operators. She said she didn't know who some of these people are, she only started talking to them in the spring when this project came up. If they were in the room right now she wouldn't know who they are because she never met some of these people. She said she is their competitor, and they gave her their private operating information. She said she didn't know how to stress to them what that means and how angry these people are. They are giving her, their competitor, their operating numbers, they are angry, the Township is affecting other private citizens and they are affecting private enterprise by entering into this project. She said her personal political feelings are government should not be competing against private enterprise. She said she couldn't make them believe that, but she can at least tell them they will be affecting private enterprise ... She said the only other thing she wanted to do was to ask them to please review the numbers. She said they are giving these numbers to them on a silver platter. She didn't think any one of these other operators ever had Village Greens'

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

numbers before they entered into this ... because she wouldn't have given it to them. The only reason she's doing it here is because it's a government entity and she, for some reason, is worried about taxpayer funds of the taxpayers of Manheim Township. And when she first heard about it, she felt that yeah ... it will affect their income a little bit, but it really affected her when (she realized) they are projecting incomes that are not what they are going to be getting. She felt the poor taxpayers were being sold a bill of goods. She was worried about what is being projected. She said she knows that the Township has hired a professional that has brought these numbers to them. She has not reviewed his last report. She listed in her original reports there are eleven competing courses within the Township's five-mile radius. There are others beyond that that will also be affected, but not as greatly as those within the five-mile radius. There are eleven courses within the Township's operating area. In front of them they have numbers from six of those operators. A seventh operator she didn't bother getting for them because they are a municipally owned course, it is Four Seasons. She told them they could walk over there, do their homework and get the numbers themselves. She said she would tell them the numbers that are missing here are not the most viable miniature golf facilities in Lancaster County and within the five-mile radius. She said they have the most viable figures of miniature golf courses in Lancaster County. If they drive by the parking lots on busy nights at each one of these courses, they will be driving by parking lots that are full on busy nights. These are viable numbers and these are viable figures she was giving them. The ones they are missing are the ones that are probably a lot less than what they are seeing right here. She said she would like to ask their professional, if she may, to Mr. Lovelette, they have given them figures prior to this and she said she's given them updated figures showing their monies are going down this year because of bad weather in the spring, and they have projected, she is representing a miniature golf course that has been voted the number one golf course in Lancaster County year after year after year by the Lancaster newspapers, by the Lancaster County magazine, by the Senior News, they are voted the facility and their income is projected, well their real numbers last year were \$115,000 on their course; that is comparable to what Manheim Township is planning on putting in. She said she guessed her only question to their professional is, Mr. Lovelette, what is special about the Manheim Township course that it will bring in \$158,000, when hers only brought in \$115,000. Mr. Martin mentioned something about a discussion now, but it was inaudible. Ms. Fairchild said or if he could ask him that at some point. Somebody mentioned a good time.

Mr. Lovelette said basically the numbers were put together using a method that was given to him by three or four different companies, for a footprint this size based on this location, based on the ... residential development in the area, so that ... population ... golf course ... walk to ... Because of location and because of proximity to population ... Ms. Fairchild said there are eleven courses within a five-mile radius ... Mr. Lovelette said a lot of the courses in the area aren't surrounded by residential development. Ms. Fairchild said that is the reason ... projected ... Mr. Lovelette said ... this board ... reviewed by National Mini Golf Association. Mr. Martin said that was not the only ... Ms. Fairchild said she knew it wasn't. She said if they were making a business decision, if they were given business figures, they have something on a silver platter. That's the best she could do was offer it to them, and they

**GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES**

could project ... but she's giving them figures. She said she was open if anyone had any questions on any figures she would be more than happy to give them to them.

A member of the Authority said for all of the courses that were cited, the revenues were going down and asked what is the reason for that. Ms. Fairchild said if she knew she would be a heck of a lot happier. There was laughter. She said they were not seeing the full ... they have been in operation for 30 years, so she could give them 30 years worth of figures. Quite a few of these other courses have only been in operation, she knew at least one of them has only been in operation three or four years, some of the others are approaching ten years. The way their numbers look, they started out thirty years ago, they had a gradual increase constantly. But when they built they were one of two or three courses in the County. They had a gradual increase until ten years ago. Ten years ago was their peak. She said she thought some of the decline is due to the increase in competition. She said she thought some of the decline is due to a change in the tourist market, which if we read the papers has been showing there is a decline. She said she really had trouble understanding the tourist market, which keep in mind, their figures, they are about 60% local and 40% tourist, so they do not live totally off the tourist, because they are off the beaten path. They have to advertise to get tourists to them because they are not right out on the road. She said she didn't understand the tourist population because she's seen some figures from the hotels that their counts are going up, but their counts are going down, as well as talking to other recreation facilities; why are the counts going down? She said she is surmising the tourist population is turning into a shopping population – it's the number one entertainment. No longer is it going out and recreating – it's shopping. She said if they read recreation magazines they will find that. She said she didn't know if the other tourists were business travelers ... not playing miniature golf the way they used to. Some of the other declining figures she said they would see – last year we had a drought and we had days where we were over 90 degrees. As soon as it hits over 90 degrees, every day it's over 90 degrees there will be a severe impact to their income. This year they gave them projected incomes. That's because of the rain at the beginning of the season. She said she went through last night and tried to find what their average figures are, and she said she had to go through six weeks until she found a normal good day, and she said oh, here's a normal good day, this is what we can get on a good day. They were rained out for the beginning of the season, herself and talking to the other operators that she pulled these numbers together for them were going can we make it through the winter into the next season that we can keep surviving? They were hit very hard by the rain impact at the beginning of the season. Some of the other courses, there is one that is very new and some of the impact they might see there are numbers that are projected in miniature golf industry information. If you build a new miniature golf course, you can probably, and she just related to them her numbers, which were different, which for one she thinks they have a different facility, but if they look at miniature golf course information, when they build a new facility, they will have big numbers for the first one to three years, and then it will decline to a point where it will stay over the next five years because of novelty. She said she thinks one of the numbers on here is they are seeing some of that – they had a big rush at the beginning and then it dropped down. She said if she knew all the answers, and she was surmising, they don't know, they're trying to figure out themselves. A member of the Authority asked her a question that was inaudible. She answered no, the operators are

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

aware that these would be distributed to the public. Someone else asked her a question and she answered this is for the orange course, which is their smaller course. Something else was said and she answered yes the numbers for the bigger course ... at about the same ratio between the two courses. Mr. Kadel asked Ms. Fairchild what is the footprint square footage of her course versus this one here. She answered their smaller course, their orange course, sits on about two acres. Her understanding is that an acre is about 43,560 ... so they are proposing a course on about 30,000 square foot. The big difference in their smaller course is the way the course is laid out, which the designer, who happens to be her father, was designing something that is showing, giving people what you get when you go out on a regulation golf course, you are getting space, you are getting peace, you are getting quiet. The standard design that they are seeing here is wiggling back and forth and inside and around. The people playing that course will constantly be in contact with the other people playing that course because they're right next to them at all times. Their courses are different because they are spread out over two acres for eighteen holes, the same as what they have, so it is a continuous loop with a big area of space in the middle, so people will only have contact with those directly in front of and behind them, instead of everybody on the whole course, and people appreciate that difference. They appreciate being out and experiencing nature and the quietness and solitude. Their larger course, which she has not given them numbers for sits on seven acres; that's why she's not giving them numbers for that course. It isn't the same bird that they're building. Their orange course is close, it's very close to what they're building. But they do have a little bit of a different concept. She asked them to please if they have any other questions, her phone numbers are on there, she'd be happy to try to get them any other numbers that they might need. She said that was all she had to say and she thanked the Authority. There was applause.

Larry Downing, a Manheim Township citizen and a member of the Overlook Foundation Board, said it was different sitting on the other side of the table. He said he wasn't quite sure where even to start, he certainly ... on the comments, especially of Charlotte Fischer – he said he did agree greatly with a lot of what she had to say. His personal feeling is that he is for the most part opposed to competing with the private sector; he said he just felt that was improper for municipalities or public sector organizations to compete with the private sector. He said he was not a fan of the State store, he was not a fan of the Turnpike Commission, and for a lot of reasons he sees inefficiencies, and he just doesn't think it's proper for public sector organizations to be competing with private sector, especially if the private sector is paying tax dollars. We don't have that in this case, because we don't have a miniature golf course in Manheim Township. But that would give him great distress if he thought they were using a competitor's tax dollars to help underwrite the cost. He said he couldn't speak for the Foundation, he could only speak from his experience in serving on the Foundation Board, and that is what he hopes to do in the next couple of minutes. He said he joined the Foundation Board in February and the miniature golf kind of was an already done thing when he got there, they did have to approve the million-dollar use and the land lease back to the Authority. He said there was some confusion in his mind as to exactly what they did, and Mr. McCarty keeps trying to straighten him out and he's doing a pretty good job of that. But, they granted a ground lease and since that time this thing has been on a fast track and as a Foundation member, he was of the understanding, at least from day one, as explained to him

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

by the Manheim Township Commissioners that we were looking for projects on the site that were going to provide income sources. And that is the underlying premise that he was at least operating with. He said we needed to get some money into that project so that we number one didn't increase tax dollars to our community and number two, we're looking in fact for making money to help underwrite some of the other operating costs within the Foundation property. He said he got the same report the Authority got yesterday as a Foundation Board member, and he did go through it as closely as he could. He said he thought they'd find in there, if they haven't found it, they're now looking at a six-year break-even on the project. Initially he was told anyhow, with the early numbers, that we were going to break-even in the first year. Which means that we're probably going to lose money for six years. So, the understanding that we're providing the income source for the property kind of goes out the window. And then he said he has a real concern about what might even happen six years from now because our pro forma only really looks at three years. He said there will be some major he thought capital costs associated with the miniature golf course sometime within that six-year period. He asked them to take a close look at the project. He said he thought they'd see some discrepancies, and they probably can be explained. He said he wouldn't criticize – he thought Darrell Lovelette had done a good job in putting the proposal together. He thought the homework has been done – he didn't find any major discrepancies, although he did see the Professional Miniature Golf Association is projecting a revenue of \$114,000 a year, and we're looking at, at least our data is \$158,000 a year. The PMGA is looking at a six-year break-even, and he said he thought our performance, Darrell doesn't go beyond a year, at least from what he saw. Another concern he has, and what he's starting to hear now is that the miniature golf is an attraction to the site to get the residents into the site. He said he couldn't argue with that, he thinks that will in fact work. He said he thought that would provide an attraction, and one of the things the Foundation Board is concerned about is getting the site developed so the Manheim Township residents use it, and he has a real interest in that because he thinks we have a real gold-mine there in terms of what we can do for our community. He does think the miniature golf course in fact will add an additional attraction or interest for people to go into the park, but, again, he said he thought they were under the gun from the Commissioners anyhow in terms of finding, investing money in something that's going to make money. He said he didn't think they've done that and they will have to go back to the drawing board and look and see if in fact it's an attraction only or an attraction that makes money. The other concern he has and he said he could speak for some of the members of the Foundation Board is that they in the eleventh hour are being asked to take a hard look at the Steiner farmhouse and the barn, and that little community or that complex, that natural complex in and around that property there, the miniature golf course really contrasts with what might possibly happen with that farmstead there. He said all they have to do is think they'll be stepping off the front porch of the Steiner home onto the number one tee of the golf course. It's a major contrast, and while he wouldn't consider himself a visionary in terms of what might be done there, it is the eleventh hour that they're trying to look at this, but there are some Foundation Board members that have some concerns, only in the last two or three weeks, about what they might do with the farmhouse and the barn complex, and would the miniature golf complex in fact fit with any particular development plan they might have there to preserve the nature of the farmhouse and the barn. He said it doesn't, and he would ask this group to give some thought to some of the

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

things they've been talking about at the Foundation Board, the possibility of locating the miniature golf, if it has to go, at another location on the site. He said he knew that gave some people heartburn, especially Mr. Lovelette, who put a lot of work in this thing and the rough grading has been done for the course, but he said he thought they needed to take a look at that, put this at least, postpone any decision in terms of the course location, until they have a better chance to work with some people from the community who've expressed an interest in working together to try to preserve the farm, the barn and that natural area that exists immediately around those properties. He said let's take a look and see if we can come up with another location. He said he realized that he's not been a member of the Foundation for the four years or the three years of its existence, and he knows that they've done a lot of work, and he said he knew it was a struggle, and he knew the Authority members knew serving on this Board the struggle they go through, they try to, their hearts are in it, but at the same time, they're trying to do the right thing for the community. He said he really didn't think from a financial standpoint he didn't feel comfortable with a miniature golf course, he really didn't; he has concerns about what's going to happen in future years, he has concerns as a taxpayer that this is going to add to the taxes, he's not convinced that it's a money-maker. And on the other hand, he thinks the Foundation Board is kind of under the gun to develop moneymakers on the project and he thinks that is where this whole thing came from. He doesn't remember any particular survey that was done in our community. He doesn't have any statistics for the Authority on how many of our residents want a miniature golf course; he's heard two that told him they do, he's heard 200 that told him they don't. He said he thinks it's important that we try to get the general feeling of the community in terms of this particular project and not move too quickly, because we could really be creating a real tax burden for the community. He said he thought that was all he had, and said if anyone has any questions, he'd be happy to try to answer them. He said he didn't think he hung himself and asked Sammy if he did. A member of the audience said no. There was applause.

Ken Shank identified himself as the operator of the Caddy Shack in Manheim. He said a lot of the things that were said here are probably some of the things he'd say anyhow. He really didn't think that government should get into the private sector as far as business is concerned because this is what wars have been fought for, socially. Things he wanted to point out here: the figures aren't here, these people come in, they want to sell you a bill of goods, they have your money and they're out of this. That's the way a lot of these things work. Another thing is, he said he mostly built his own course, but they say paybacks are you-know-what sometimes. He said Doug Lamb did his work and now it's his turn for payback. He said he would not recommend Doug Lamb, regardless of what they do. But, he did not think that the figures are there. As to what these people are telling them, he said he didn't know if he could convince anyone here, but miniature golf has been on the decline for the last couple of years, and this past summer, spring he was deeply concerned about making his payments, because the income just was not there. He said he thought if he would have the restaurant to go with it, well, things wouldn't have happened. Most of the people that spoke here this morning said a lot of things that he probably would've said and brought up a lot of good points that he wouldn't have thought of. He said he wanted to thank the Authority for the time to allow them to speak in front of them. He thanked the Authority. There was applause.

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

Patti McClune of Candlewyck Road asked the Authority not to think that they don't appreciate the time and the work that they've put into it by their negative comments. According to the paper it was said that if the miniature golf course does not make money they the taxpayers will foot the bill. If this is the case, she asked wasn't it illegal to use taxpayer money to fund a golf course under the 501c3, which is basically a charitable organization? Mr. McCarty answered that actually the Township is the owner for tax purposes of this facility ... therefore it's Township funds that will be used to own, operate and manage the golf course. Ms. McClune said that is how we get around that? Mr. McCarty said that's reality.

Ed McClune said since the residents first heard about this miniature golf course and the extension of the driving range, the opposition seems to be against the miniature golf course, and over the course of time, there've been many questions asked, and like Charlotte said, it's a shell game. It's you, you and you, and nobody really knows who it is. But the question he wanted to ask was, there was a professor from F&M that eloquently stated about ripping this part of the area up over there long before the Authority even approved it. Mr. McClune said it's a mess. He said it seems to him the Commissioners, or whomever, have rubber-stamped this thing, that it's going to proceed regardless of any opposition. In other words, like they expect the Authority members to just put the seal of approval on it. Otherwise, he said, why would they prepare a site for this golf course when the Authority has not approved to go ahead with it. Because they are already preparing the site right now. He said he went over there the other day, and he took some pictures of the place, and he said he'd like to ask Darrell Lovelette, Director of Parks and Recreation, where are the water parts – are there water-like ponds for this. Things that were sitting out in the crates that looked like water pumps and he asked if they were water pumps and he didn't answer his question. Mr. Lovelette said he did answer the question and said he had no idea what it was but it had absolutely nothing to do with miniature golf. Mr. McClune asked him if he was sure. Mr. Lovelette answered that he was positive of that. Mr. McClune said oh, ok, but they're sitting out in back there and he was very curious to know whether they were part of this thing because it seems like from the very beginning this thing was as far as the residents they said no and it just kept on proceeding and proceeding until it reached this point, where they're even preparing the site. He said he'd like the Authority to really consider what has taken place from day one when the residents found out about this – that they've opposed it from the very beginning, and it still keeps right on moving forward. He thanked the Authority. There was applause.

Tom Despard of 220 Eshleman Road said he was new to this so he's not up to speed on all of this. He said one question he had was if they want to make money on something like this they ought to lease the ground to a private operator. He said he was sure they've probably thought about that. But that could be a source of income for this Foundation to lease ground to the private sector. The way they want to do a miniature golf course he thinks is very questionable. He hasn't seen the overall master plan, so he has to profess ignorance on that, but he would not put it next to the farmstead, and he would save the farmstead. He said he knows that that's an issue that they've been dealing with. He said he's been on the Board of the Historic Preservation Trust and he can tell them what happens when they save buildings, how important it is. He said all they have to do is go down to the Gap and look at

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

the Ellmaker House, which they saved. He said he hoped they will save the farmhouse and the farmstead itself, and preserve our history in the Township. He asked the Authority what makes them think that the Township residents want this facility? He asked if there have been any surveys done, or anything of that nature. Mr. Martin said they have not done a specific survey saying do you want a miniature golf, but as Mr. Lovelette indicated they have looked at what's out there, what's doable, what can happen, and that's what they're looking at. Mr. Despard said so they don't know; they don't know if the residents want it or not. Mr. Martin said that people have talked to him and said yes, they would use it. Mr. Despard said and people have said they don't want it also. Mr. Martin said yes, he's heard both on all ... Mr. Despard said if he's a resident of this, miniature golf courses need a lot of light and asked if they had lighting for this. Mr. Martin answered yes. Mr. Despard asked if that lighting will project in the surrounding neighborhoods. Mr. Martin answered no. Mr. Despard said it's not? Mr. Martin said no, it's like any other light, and he said he knew that any time they put light down, at an angle, they could also put it at such a site that it doesn't glare, but there is going to be a hue over any light that they do. Mr. Despard said his question is how much light is going to be projected out to the neighbors? And, also there is a lot of noise. Miniature golf courses make a lot of noise. He said he thought they ought to find out from the neighbors if they want to put up with the light and the noise. He said that was about it and thanked the Authority. There was applause.

Dave Friedrichs of 1470 Hunsicker Road said he's been a Township resident for 31 years. His wife grew up here and went to school. His very good friend, George Kratzer, who owns the miniature golf on Route 283, to know that he's using his funds, his taxpayer dollars to help put George Kratzer out of business, needless to say, has him very upset. He said he doesn't get upset very often, and said that Bill had known him a long time. He helped found Hourglass Foundation with Art Mann; they've done a lot of good. For six years he was president and founder of Landis Valley Homeowner's Association, back in the 70's. He said he thought he'd done a lot, including helping restore the Hunsicker covered bridge – having it rebuilt. He said the last few years he has been aghast to see what's been going on in this Township. He asked why we were fooling with this stuff. Why don't we do what government is supposed to do? We don't want to get into the ballpark business. We don't want to build a 27 million dollar Taj Mahal to compete with Universal. Jere Strittmatter lost his job over the ballpark. Dennis Reinaker lost his job over the 27 million dollar deal. He asked who was going to lose their job over this one? The Township residents are upset – they don't want the Authority to underwrite as venture capitalists a project that is guaranteed to lose money. He said when he sees Darrell Lovelette get up here and say the projections don't include A parking lot, yet on here they have \$35,000 – 35,000 people a year, so because 35 maybe weeks of the 52, when they're going to play miniature golf, and he didn't know if they play in the wintertime; That's a thousand cars a week. He asked why those numbers weren't in here? That's a ... we're a little bitter. Harris is the low bidder. He asked if they were getting the right product ... that's a tight little course. How many people are going to enjoy that tight little course? And the trees – when he heard about those trees – he was just upset. And they're doing all this work and it's not even been approved! He said he just wanted to conclude by saying that he just sees the leadership in this Township going downhill. We need to get back to basics. He then addressed Mr. Flanagan and said when he was a

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

Commissioner here we didn't have to deal with all of these things. He asked why we are taking Darrell Lovelette's time to work on miniature golf when he should be doing the things that he's paid to do? He thanked the Authority for their time. There was applause.

Mr. Martin asked Mr. Kadel if he could make a comment. He said he would like to let everyone know that the trees around the house were not taken down – they're still standing there, so his comment about the trees ... A member of the audience asked what about the walnut tree and the catalpa trees that were in front of the house. The walnut tree was at the entrance to the house. Mr. Martin said it was dead and was cut down. The trees immediately around the house are still there. Someone said the bushes; Mr. Martin said the tall pine trees. Someone said the big shade trees. Mr. Martin said the ones out front are gone. That person said the whole way around ... side are gone. Mr. Martin said coming in the entry he was exactly right. The member of the audience said they were talking about bushes, no, they're still there for the time being. Another member of the audience asked why they're being taken down. Mr. Martin answered because the road's going in there and it's going to cut across, so, yes, they had to come down. Someone asked if they couldn't have gone around the trees. Mr. Martin said no. There was another comment but it was inaudible. Mr. Martin said the road will come to the west side of the house – the side on Fruitville Pike. A member of the audience asked if that will be the back of the house then, that the road weaves around? Mr. Martin said it will go around the side and up the back, yes. A member of the audience said in other words it will come in and go around the back of the house? Mr. Martin said yes. The member of the audience said it will go between the house and the barn? Mr. Martin said that is not correct. The member of the audience asked then why did they have to take the trees down? Mr. Martin said because they were in the way. Several people talked at the same time. Mr. Martin said they were down. There was murmuring. Mr. Ritter said they were not here to design the road coming in.

Mr. Manny Murry of 1425 Hunsicker Road said unfortunately he's starting to realize that maybe he's lived in this Township too long for 75 years, when he sees government not addressing what they should be addressing, and what they are elected to do, but trying to get into business ventures. He said he didn't know a lot of background on this, he hadn't seen a pro forma, but he said he knew one thing, after running many businesses, you never go into a business or a major expansion without having a pro forma and having talent on-board who's experienced in running that business. He said his background has been for over 40 years as the original owner of Overlook Golf Course and Crossgates Golf Course, so he's been in the golf business for over 40 years, and said maybe that qualifies him to take a couple of minutes of their time here today. When he looked at this from a broad picture, he said why are we here at this point? He said he came up with three things: ego, people who like to have their names on brass plaques, it is really spreading, it's a disease today; need, do we have a need for a miniature golf course? And the next is can it be profitable? First of all if it can be profitable, there are so many pop & mom organizations around this county who can scratch together \$300,000 and build a miniature golf course, and they can run it for a fraction of what government can run. Their kids help, no over-time, all those benefits to keep the cost down. But we don't see this happening anywhere in Lancaster County that he's aware of, and he asked why. He continued that miniature golf isn't profitable. The only ones who have

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

miniature golf businesses today, unless you're at the seashore or something of that nature, but in a municipality in this area, he said he had one that was started many, many years ago, a little operation, pop & mom made some money, they expanded it, it got a little bigger, and they could still make a living off of it – no one got rich. And surely, they won't pay back a debt service that they're talking about here. He said he was familiar with paying back debt services. He said he remembered very clearly the first year that the Township ran Overlook Golf Course; it was in the headlines – they made 200 some thousand dollars. He said he knew darn well they didn't make 200 some thousand dollars so he did a little checking. But the debt service of the 8 million dollars was put over into the Parks & Recreation, became an expense of the Parks & Recreation, and he asked so who can't make money when they're handed 8 million dollars ... debt service? There was applause. He said he thought this may have recently been straightened out and asked Mr. Martin if that was right. Mr. Martin tried to respond but was interrupted. Mr. Murry said a lot of the equipment. Mr. Martin said Mr. Murry knows what happened back then. Mr. Murry said a lot of the new equipment that was bought – it wasn't bought and charged to the Overlook, it was bought and charged to Park & Recreation. He continued by saying is your need. He said his question is what percent of this so many thousand that are going to play miniature golf are going to be Manheim Township residents? Has there been a study made of that? How many rounds are going to be paid by them? He said he would give them an educated guess, because when he ran Overlook they knew every municipality that everyone that played a round of golf was from. And he said he could tell them 19% of the rounds at Overlook Golf Course were by people who lived in Manheim Township; all the other rounds were from people who didn't live in Manheim Township. So this meant, yes, you have a golf course there, it's a nice golf course, you've improved it very lovely, it's well-run he'd say, but he said they were providing golf at bargain prices to 80% of the people who don't even live in the Township. He asked how many people are going to play at this miniature golf course? Will it be 20%? He said so now they're really taking on a county need, if there is a need, and he hasn't heard any testimony that there is a need yet. So, he said our taxpayers are supposed to guarantee the debt for possibly 75-80% of people outside the Township going to play miniature golf. He said we all know when someone wants to build a house ... we can't have anymore cars in the Township, we can't have anymore traffic – this is terrible, we can't get around, yet we're talking about he didn't know how many more thousand rounds of golf. He said it would be interesting whether the Commissioners are going to charge an impact fee on this, like they did the church of a quarter of a million dollars. There was laughter. Mr. Martin thanked him and said that was a good idea. There was laughter. Mr. Murry said coming back and looking at it from a practical standpoint, there is no need. He said they aren't going to make money and these people sitting out there in the audience are going to pay for it with tax dollars. There is only one thing left – names going on a brass plaque. He asked them to give it serious consideration. The public in this Township have given an ultimatum to the Commissioners – they don't want the Township in private enterprise. None of them are presidents of corporations, none of them are chief operating officers. He said the good part about that in business – if he had a chief operating officer and he made a boo-boo, he called him in the office and he fired him. He asked right? Then said but no, not with elected officials. They make a boo-boo and we have to wait four years to throw them out of office. He said thank you and there was applause.

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

Dick Hisey of 117 Olde Field Drive asked a question about the course; is it natural turf or is it synthetic turf? He was told synthetic. He said synthetic, so then you don't have the upkeep of natural turf. He said and the water system is a system they will have to put in and maintain. Mr. Lovelette answered that it will be a part of the ... course. Mr. Hisey said he didn't know who was responsible for cutting trees down that don't need to be cut down, but that will be touching the nerve of a lot of people in this Township. There was applause.

Sally Vander Slice, a resident of Manheim Township, said she wanted to say a couple of items. She said she thought with the testimony that has been given this morning it is obvious number one a project has gotten ahead of the Township. The Commissioners number two are looking for a project upon which they can retire. And number three it is a sad day when the taxpayers and the public are not given a chance to view their opinions and have their input into a government project, and it sounds like this is what has occurred in Manheim Township. She said if they look at the past elections, since she's a past Republican helper of elections, number one they got rid of the State's Representative because of not being in touch with the public. This past Primary we saw the downfall of two Commissioners for a very good reason. She said she pleaded with these people and their Board that they were listening. She thanked the Authority. There was applause.

R. H. Breneman of 101 River Edge Drive in Leola, a resident of the Township for three years, said he has some sympathy for those on the Authority since he had been an elected Township official and an elected County official and an appointed official. He said for the past three years that he's been in the Township he said he had to tell them he was concerned about what he's seen and heard and observed, having had some of that experience of serving the public. He said he had to confess too that it is more fun to watch from afar. There was laughter. He said twenty or twenty-five years ago he had the privilege and the opportunity to work for an individual who made it one of his life goals to educate people on, he said he didn't think he ever used this word, but he didn't think it was wrong to use, he didn't think it was overstated, on the immorality of the public sector competing with the private sector. Thirty years ago he had an idea that that was wrong. Twenty years ago and since, he didn't have the same passion, but he had a greater understanding as to why it is wrong for the public sector, for elected officials, public sector in general to compete with private enterprise. Indeed, he said they heard a couple of specific examples this morning. Impact fees, taxes, these folks who, and most everything he heard this morning he didn't think there was anything he would disagree with, but he thinks they can strip it all away. The private operators that we heard from and we consider that they're in private enterprise, they're out competing for a buck, they probably would feel almost as concerned if this was a private enterprise competing with them. But he didn't think they'd say anything. He didn't think they could, because indeed it would be a level playing field. He said there is no question, when the public sector takes on those issues, and parenthetically, he wanted to tell everyone he was all for privatization, but privatization that does not inappropriately compete with the private sector. Privatization that for instance would say we have the right as the public sector to consider leasing land for a project like this, but in leasing that land, opening it up to the private sector to compete for the lease of that land, under whatever criteria would be established for the use of the land, but at least, again, at that point it's on a level playing

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

field. When the municipality is considering doing a project like this and you're talking about looking at operating ... and projections, pro formas, and you're looking at the impact that this will have on revenue to the Township in the future, and the project as he's heard it discussed this morning, as he's read about it in the past, this is not a level playing field. This is wrong. It should be ... it is not, but it is wrong. He said he urged the Authority for the part that they have to play to not participate in inappropriately competing with the private sector. He thanked the Authority. There was applause.

Mr. Kadel said he had a Resolution before the Authority this morning and he wanted to present it to the public as well as the Board members. Mr. Wagner read through the Resolution: This is a

"Resolution awarding a bid with respect to public recreation facilities.

Subject to approval by the Board of Commissioner of Manheim Township, the bid for the Project Facilities received from the lowest responsible bidder and attached to this resolution, is hereby awarded to such lowest responsible bidder."

Mr. Wagner moved to adopt Resolution 2003 – 02, a Resolution awarding a bid with respect to Public Recreation Facilities. This motion died for lack of a second. There was applause.

Mr. Flanagan said he thought they were all grateful that these people got up early in the morning and came here, and they had a civilized discussion, which he didn't think they necessarily did with the baseball. He said he thought they were all grateful for that. He said he wanted to add a couple of other things. The Commissioners have indicated that they would like to have as many income-generating items as possible from the Foundation. They did that for our benefit as taxpayers. So, in terms of where this is going, he said he thought slamming the Commissioners on this is really not completely fair – they're doing something to try to keep tax dollars down. The Foundation, in defense of them, they were trying to further that end as well on our behalf. And the staff, in pulling together these proposals was doing what we as citizens have instructed them to do. In terms of saying one group or another group failed in their responsibility he thinks is an unfair thing to do. There were a lot of people trying to do the right thing in this process, and he said he just wanted to say that to these folks in attendance. He thanked them for coming, but also said something in defense of all the people who put in a lot of time on this. Several people spoke at the same time and nothing was distinguishable.

A member of the audience asked if she could make a comment about that. She said she totally agreed, this was an income-due producing project; if she were in their shoes she probably would have explored the same avenues. However, she said if they look at the path a Foundation should go, they should have money to begin with and their first concern would have been putting together some type of a plan that the people are going to get excited about, they will get involved in and they will contribute their money and their time. She said if they look at the Stoner farm, the whole house and the barn, she said she looks at that entity

GENERAL MUNICIPAL AUTHORITY OF THE TOWNSHIP OF MANHEIM
FRIDAY JULY 18, 2003 MINUTES

as a way to bring the community together, and it could be, she said we have so many construction company people, they could do in-kind gifts, people could get out there and do the painting, do the ripping down of walls, whatever has to be done, it could bring the community together. And it would save something that should be saved at very minimum cost. She said thank you and there was applause.

Mr. Gagnon said he wanted to add one clarification to which he will ... they did have a pot of money, the Foundation to begin with. A member of the audience said yes, but it's gone. Mr. Gagnon said when Mike bought ten acres, and somebody else, it was over \$300,000 in there, so he just for the record wanted to clarify that.

Mr. Kadel thanked everyone for coming.

Steve Villella of Rosemont Drive said he agreed with them. There are a lot of people on these Boards volunteering their time. There are a lot of citizens, he sees the same faces at these meetings over and over and over again, whether they are serving on Boards or not. They invest their time as well to stay involved. He said he didn't necessarily think that there was any one Board that failed in their responsibility to explore avenues. But he said he thought a lot of people would agree that there is a failure in the community amongst some of these Boards and that is that these Boards are not working together and they are not representing the community as a whole. They are saying, Mr. Ritter said it this morning, we're here not to discuss this larger thing, we're just discussing this. Well, he said all of these projects are connected, all of these dollars are connected. So, the Boards need to act in concert with each other and need to answer the questions of the residents at any time. If the Commissioners know the status of a project, they need to answer those questions, and not to go to the Tuesday meeting, or go to the Friday meeting. That is what they were talking about with the shell game, and that's where there is a failure right now in the representation on the Boards. He said he just wanted that to be on the record. There was applause.

Mr. Kadel thanked everyone for coming. Mr. Martin said the next meeting will be October 17, 2003; for their information, he said because everyone gets up and leaves and doesn't see that.

There being no further business, on a motion by Mr. Wagner, seconded by Mr. Flanagan, it was moved to adjourn the meeting at 9:05 a.m. Motion carried unanimously.

The next meeting will be Friday, October 17, 2003 at 7:30 a.m.

Respectfully submitted,

James M. Martin
Manager-Secretary