

Cheltenham Township, believing that public input is appropriate on any items coming before the Commissioners, will recognize any citizen wishing to address a specific item prior to the vote on that issue. In order to be recognized, please raise your hand.

FINANCE COMMITTEE

Morton J. Simon, Jr., Chairman
Michael J. Swavola, Vice Chairman
Kathy A. Hampton, Member
Art Haywood, Member
Charles D. McKeown, Member
J. Andrew Sharkey, Member
Harvey Portner, Ex-Officio, Board President

AGENDA

Wednesday, November 9, 2011
7:45 PM Curtis Hall

1. Review of the Executive Financial Summary Report for the period ended October 31, 2011. (Five-Year Analysis attached.)
2. Budget requests from the fire companies.
3. Consider recommending to the Board certain budget transfers (see attached).
 - a. By Ordinance
 - b. By Resolution
4. Consider recommending to the Board an Ordinance eliminating the exemption from the Earned Income Tax (see attached).
5. Consider recommending to the Board a Resolution eliminating discounts on refuse, sanitary sewer and excess water fees (see attached).
6. Consider recommending to the Board an Ordinance approving collection procedures and adopting penalty, interest and schedule of attorney fees as part of the real estate taxes for delinquent accounts (see attached).
7. Consider recommending to the Board entering into a contractual agreement with Portnoff Law Associates to collect delinquent real estate taxes (see attached).
8. Consider recommending to the Board a Resolution directing Montgomery County Tax Claim Bureau not to collect delinquent real estate taxes on behalf of Cheltenham Township (see attached).
9. Consider recommending to the Board a Resolution approving the new alarm permit fees (see attached).

10. Review of the President's 2012 Budget Message and the Proposed 2012 Operating and Capital Budgets.
11. Old Business.
12. New Business.
13. Citizen's Forum.
14. Adjournment.



David G. Kraynik
Township Manager

FIVE YEAR ANALYSIS - AS OF OCTOBER 2011

	2011	2010	2009	2008	2007
Expenses	86%	83%	83%	82%	83%
Revenues	91%	88%	89%	87%	90%
EIT	78%	77%	65%	66%	72%
Group Health Ins.	84%	79%	79%	83%	81%
Real Estate	96%	97%	97%	96%	96%

ORDINANCE NO. _____ - 11

AN ORDINANCE AMENDING ORDINANCE NO. 2213-10 ENACTED DECEMBER 22, 2010 AFFIXING THE TAX RATE FOR THE YEAR 2011 AND APPROPRIATING SPECIFIC SUMS ESTIMATED TO BE REQUIRED FOR THE PURPOSES OF TOWNSHIP GOVERNMENT DURING THE CURRENT FISCAL YEAR.

The Board of Commissioners of the Township of Cheltenham hereby ordains:

SECTION I. That Section 2 of Ordinance No. 2213-10 enacted December 22, 2010 setting forth amounts appropriated for expenses for various departments, is hereby amended and modified as follows:

DEPARTMENT	FROM	TO
Police	\$ 8,438,260	\$ 8,632,887
Administration Miscellaneous	\$ 12,754,024	\$ 12,559,397

ENACTED into an Ordinance this 16th day of November, A.D., 2011.

TOWNSHIP OF CHELTENHAM
BOARD OF COMMISSIONERS

BY: _____
Harvey Portner, President

ATTEST:

David G. Kraynik, Secretary

Township of Cheltenham

Montgomery County, Pennsylvania

Board of Commissioners
Harvey Portner, President
Art Haywood, Vice President
Kathy A. Hampton
Charles D. McKeown
J. Andrew Sharkey
Morton J. Simon, Jr.
Michael J. Swavola

Township Manager
David G. Kraynik



Administration Building
8230 Old York Road
Elkins Park, PA 19027-1589

Phone: 215 887-1000
FAX: 215 887-1561
Website: cheltenhamtownship.org

MEMORANDUM

DATE: November 9, 2011
TO: Finance Committee
FROM: David G. Kraynik, Township Manager
SUBJECT: Budget Transfers

As a result of police arbitration award coming in after the 2011 Budget was developed, I am recommending a budget transfer (by ordinance; see attached). Additionally, I am recommending by resolution a transfer in the Township Building Cost Center due to unexpected repair costs.

I am recommending two (2) budget transfers as follows:

1. BY ORDINANCE (see attached):

FROM	UNALLOCATED APPROPRIATION (01169)	\$194,627
TO:	POLICE (01061)	\$194,627

2. BY RESOLUTION:

FROM	TOWNSHIP BUILDING – MATERIAL & SUPPLIES (01103)	\$3,000
TO:	TOWNSHIP BUILDING – REPAIRS (01101)	\$3,000

Respectfully submitted.

Cc: Joseph Galdo, Director of Fiscal Affairs

**BOARD OF COMMISSIONERS
CHELTENHAM TOWNSHIP**

MONTGOMERY COUNTY, PENNSYLVANIA

ORDINANCE NO. _____

**AN ORDINANCE AMENDING THE CODE OF THE
TOWNSHIP OF CHELTENHAM, CHAPTER 270, ARTICLE
IV, SECTION 52 BY DELETING THE PROVISION WHICH
PROVIDES FOR AN EXEMPTION FROM THE EARNED
INCOME TAX FOR TOTAL EARNED INCOME OR NET
PROFITS OF LESS THAN \$3,000 PER YEAR**

The Board of Commissioners of Cheltenham Township does hereby **ENACT** and **ORDAIN**:

SECTION I - Amendment to Code

Chapter 270, Article IV, Section 52 of the Code of the Township of Cheltenham is hereby amended to delete Section 52(c) in its entirety.

SECTION II - Severability

The provisions of this Ordinance are intended to be severable, and if any section, sentence, clause, part or provision hereof shall be held illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the court shall not affect or impair the remaining sections, sentences, clauses, parts or provisions of this Ordinance. It is hereby declared to be the intent of the Board that this Ordinance would have been adopted even if such illegal, invalid or unconstitutional section, sentence, clause, part or provision had not been included herein.

SECTION III- Failure to Enforce not a Waiver

The failure of the Township to enforce any provision of this Ordinance shall not constitute a waiver by the Township of its rights of future enforcement hereunder.

SECTION IV - Applicability

Nothing in this Ordinance or in the Code of the Township of Cheltenham shall be construed to affect any suit or proceeding in any Court, and rights acquired or liability incurred,

any permit issued or any cause of causes of action existing under the said Code prior to the adoption of this amendment.

SECTION V - Repealer

All other ordinances and resolutions or parts thereof insofar as they are inconsistent with this Ordinance are hereby repealed.

SECTION VI - Effective Date

This Ordinance shall take effect and be in force from and after its approval as required by law.

ORDAINED AND ENACTED by the Board of Commissioners of Cheltenham Township, Montgomery County, Pennsylvania, this _____ day of _____, 2011.

**CHELtenham TOWNSHIP
BOARD OF COMMISSIONERS**

By: _____
Harvey Portner, President

Attest: _____
David G. Kraynik, Secretary

Kraynik, David

From: jhunt@hab-inc.com
Sent: Saturday, June 25, 2011 2:00 PM
To: Kraynik, David
Cc: msantangelo@hab-inc.com; jhunt@hab-inc.com
Subject: RE: EARNED INCOME TAX
Attachments: MONTGOMERY COUNTY AREAS W-EIT EXEMPTIONS.xlsx

Dave:

A review of the township's EIT filings for 2009, the last fully complete year, show that the total EIT forgiven at 1% was approximately \$33,000. So eliminating it would an additional EIT income of approx. \$16,500 a year for both the township and school district. At this point there are only 8 municipalities/school districts in the county that exempt a portion of the residents income from taxation. The list is attached for your review.

Jim Hunt
Director of Sales and Client Services
1-800-360-8989 ext 2413
1-610-588-5765 (fax)



From: Kraynik, David [mailto:DKraynik@cheltenham-township.org]
Sent: Friday, June 24, 2011 3:33 PM
To: James Hunt
Subject: EARNED INCOME TAX

Jim:

It's my understanding, as per a conversation I had yesterday with Paul Greenwald, that the Montgomery County Tax Collection District is suggesting that communities who currently have an exemption level consider eliminating same. Can you please tell me how many Montgomery County communities currently have an exemption? Also can you tell me what would be the estimated increase in revenue if Cheltenham did away with its \$3000 exemption?

Thank you and best regards,

Dave

David G. Kraynik, Township Manager
Cheltenham Township
8230 Old York Road
Elkins Park, PA 19027
Tel: 215-887-6200, ext. 110
Fax: 215-887-0738

E-mail: managersoffice@cheltenham-township.org

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6/27/2011

<u>MUNICIPALITY</u>	<u>SCHOOL DISTRICT</u>	<u>EXEMPTION AMOUNT</u>	<u>BOTH (Y/N)</u>
CHELTENHAM	CHELTENHAM	\$ 3,000.00	YES
✓ HATBORO	HATBORO-HORSHAM	\$ 4,000.00	NO
✓ HORSHAM	HATBORO-HORSHAM	\$ 5,000.00	NO
✓ TOWAMENCIN	NORTH PENN SD	\$ 5,000.00	NO
✓ HATFIELD TWP	NORTH PENN SD	\$ 5,000.00	NO
UPPER MORELAND	UPPER MORELAND	\$ 4,000.00	YES
SPRINGFIELD	SPRINGFIELD	\$ 5,000.00	YES
	JENKINTOWN SD	\$ 5,000.00	NO

Kraynik, David

From: Galdo, Joseph
Sent: Wednesday, October 12, 2011 9:22 AM
To: Kraynik, David
Subject: EIT Exemption
David:

As you reduce down the exemption the more revenue you (township) take in:

\$2,000 exemption = \$11,900 in extra revenue
\$1,000 exemption = \$14,500 in extra revenue
\$0 exemption = \$16,500 in extra revenue

CHELTENHAM TOWNSHIP

RESOLUTION NO. 2011-

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE TOWNSHIP OF CHELTENHAM TO ELIMINATE AND
EXTINGUISH ALL DISCOUNTS FOR ALL USER FEES
INCLUDING, BUT NOT LIMITED TO, REFUSE, SANITARY
SEWER AND WATER BILLS ISSUED BY THE
TOWNSHIP OF CHELTENHAM**

WHEREAS, the Board of Commissioners of the Township of Cheltenham must address a potential deficit in the Township budget for 2012 resulting from decreases in real estate tax revenues and the general economic climate; and

WHEREAS, the discount on certain users fees such as refuse, sanitary sewer and excess water is no longer economically viable for the Township.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Commissioners of Cheltenham Township this _____ day of November, 2011 that:

1. All discounts for user fees including, but not limited to, refuse fees, sanitary sewer fees and excess water fees invoiced by the Township of Cheltenham are hereby eliminated and extinguished.

2. This Resolution is effective immediately and applies to all invoices and bills issued by the Township of Cheltenham after this date.

RESOLVED, this _____ day of _____, 2011 by the Board of Commissioners of Cheltenham Township.

CHELTENHAM TOWNSHIP

Attest: _____
David G. Kraynik, Secretary

By: _____
**Harvey Portner, President
Board of Commissioners**

Township of Cheltenham

Montgomery County, Pennsylvania

Board of Commissioners
Harvey Portner, President
Art Haywood, Vice President
Kathy A. Hampton
Charles D. McKeown
J. Andrew Sharkey
Morton J. Simon, Jr.
Michael J. Swavola

Township Manager
David G. Kraynik



Administration Building
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Phone: 215 887-1000
FAX: 215 887-1561
Website: cheltenhamtownship.org

To: David G. Kraynik, Township Manager

From: Joseph Galdo, Director of Fiscal Affairs

Date: September 28, 2011

Re: Request to eliminate the "Refuse Fee – Discount" (01-000-1068-004), "Sewer Rent Current Year Discount" (01-000-1071-000), and "Excess Water Current Year Discount" (01-000-1075-000)

As a means to improve Cheltenham Township's yearly revenue, I am recommending to you and the Commissioners that high consideration be given to eliminating the discount feature (on our Real Estate Tax bills) for Refuse and Sewer charges. The Real Estate component will still have a discount feature since it is considered a true tax, and, thus, the format of our tax bill will have to be adjusted.

Refuse and sewer charges are in essence no more than a reimbursement to the township for hard costs associated with the actual rendering of such services to property owner(s). From a pure historical fact, the Township in 2010 lost a revenue opportunity of \$141,753 (\$40,072; \$76,147; and \$25,534 respectively) and currently in 2011 \$165,013 by offering this discounted feature.

Research conducted out of the Accounting office disclosed the following:

- Abington Township does not offer a discount;
- Springfield Township does allow a discount;
- U. Moreland Township allows a discount on the sewer but not the refuse part;
- L. Moreland Township allows a discount on the refuse but not the sewer part; and
- Radnor Township does not offer a discount on the sewer (and the refuse is basically paid by the Township).

In closing, I would highly recommend that this be implemented and be one of the allowable financial tools that will assist the Township Manager combat a budget gap.

Ordinance
Approving Penalty, Interest and Attorney Fee Schedule
For Work In Collecting Delinquent Accounts

Cheltenham Township

Ordinance No. _____, 2011

**ORDINANCE APPROVING COLLECTION PROCEDURES
AND ADOPTING PENALTY, INTEREST AND SCHEDULE
OF ATTORNEY FEES TO BE ADDED TO THE AMOUNT
COLLECTED AS PART OF REAL ESTATE TAXES FOR
DELINQUENT ACCOUNTS.**

WHEREAS, to be fair to all taxpayers in Cheltenham Township, it is necessary for Cheltenham Township to recover promptly the amount of delinquent unpaid real estate taxes, and if necessary, by legal proceedings; and

WHEREAS, in the past the amount recovered in such proceedings has been depleted by the cost of reasonable attorney fees incurred by Cheltenham Township in the proceedings, and in the case of smaller claims, making enforcement not financially feasible; and

WHEREAS, the Municipal Claims and Tax Liens Act, 53 P.S. § 7101 et seq. (the "Act"), authorizes the adding of additional attorney fees, charges, expenses, commissions and fees to the total payable with respect to unpaid real estate taxes but only if the municipality involved has approved by Ordinance a schedule of such fees; and

WHEREAS, Cheltenham Township has determined that it is in the best interest of all taxpayers and other residents to have vigorous enforcement of all delinquent and other unpaid charges, utilizing the procedures set forth in the Act, except in the cases of serious hardship, which Cheltenham Township will address on a case-by-case basis pursuant to uniform policies; and

WHEREAS, Cheltenham Township has reviewed the subject of penalty, interest, and attorney fees for collection matters, and has determined that the fees set forth in the schedule hereby adopted are reasonable in amount for the services herein described.

NOW THEREFORE, IT IS HEREBY ORDAINED AND ENACTED BY CHELTENHAM TOWNSHIP AS FOLLOWS:

1. Fees to be Added to the Unpaid Claim.

Cheltenham Township hereby approves the following fee schedule for the collection of unpaid claims, which fees shall be added to the unpaid claim.

(a) Notice Expense. A charge, not to exceed \$50.00, plus postage, shall be added to the unpaid claim for providing notice of delinquency pursuant to Section 7106 of the Municipal Claims and Tax Liens Act. Cheltenham Township may hire a private company to perform this service and add the amount of this charge to the unpaid claim.

(b) Collection Fees.

Handling fee for returned check	\$ 30.00
Handling fee to issue refund check	\$ 20.00
Bookkeeping fee for payment plan of 3 months or less	\$ 25.00
Bookkeeping fee for payment plan of more than 3 months	\$ 50.00
Guaranteed Payoff Fee	\$ 25.00

(c) Legal Fees.

Initial review and sending first demand letter	\$160.00
File lien and prepare satisfaction	\$250.00
Prepare Writ of Scire Facias	\$250.00
Obtain Re-issued Writ	\$ 30.00
Prepare and mail letter under Pa. R.C.P. 237.1	\$ 30.00
Prepare Motion for Alternate Service	\$250.00
Prepare Request for Production of Documents in preparation for Trial	\$ 25.00
Prepare Pre-Trial Memorandum	\$150.00
Prepare Motion for Judgment for Want of Sufficient Affidavit of Defense pursuant to 53 P.S. §7271	\$150.00

Prepare Default Judgment	\$175.00
Prepare Writ of Execution	\$800.00
Attendance at Sale; Review Schedule of Distribution and Resolve Distribution Issues	\$400.00
Continue Sheriff Sale	\$ 50.00
Petition to Assess Damages	\$ 50.00
Petition for Free and Clear Sale	\$400.00
Prepare bankruptcy proof of claim	\$100.00
Services not covered above	At an hourly rate between \$60.00-\$225.00 per hour

2. Costs to be added to the Unpaid Claims.

In addition, the reasonable and necessary out-of-pocket charges, costs, expenses, commissions and fees incurred in collection, such as but not limited to, postage, title searches, prothonotary fees and sheriff fees, shall be added to the unpaid claims.

3. Interest. Interest will be assessed upon all delinquent unpaid real estate taxes at a rate of 10% per annum and added to the unpaid claim.

4. Collection Procedures. The following collection procedures are hereby established in accordance with the Act:

(a) At least thirty (30) days prior to assessing or imposing attorney fees in connection with the collection of an account, Cheltenham Township or its designee shall mail or cause to be mailed, by certified mail, return receipt requested, a notice of such intention to the taxpayer or other entity liable for the account (the "Property Owner").

(b) If the certified mail notice is undelivered, then, at least ten (10) days prior to the assessing or imposing such attorney fees, Cheltenham Township or its designee shall mail or cause to be mailed, by first class mail, a second notice to the property owner.

(c) All notices required by this Ordinance shall be mailed to the property owner's last known post office address as recorded in the records or other information of Cheltenham Township or such other address as it may be able to obtain from the County Office of Assessment and Revision of Taxes.

(d) Each notice as described above shall include the following:

(i) The type of tax or other charge, the date it became due and the amount owed, including penalty and interest;

(ii) A statement of Cheltenham Township's intent to impose or assess attorney fees within thirty (30) days after the mailing of the first notice, or within ten (10) days after the mailing of the second notice;

(iii) The manner in which the assessment or imposition of attorney fees may be avoided by payment of the account; and

(iv) The place of payment for accounts and the name and telephone number of Cheltenham Township's representative designated as responsible for collection matters.

5. **Related Action.** The proper officials of Cheltenham Township are hereby authorized and empowered to take such additional action as they may deem necessary or appropriate to implement this Ordinance.

6. **Appointment of Solicitor.** Cheltenham Township appoints Michelle R. Portnoff, Esquire as Solicitor for the limited purpose of collecting delinquent real estate taxes and hereby authorizes her, and attorneys under her supervision, to sign any and all documents, including municipal claims, on behalf of the Cheltenham Township.

DULY ORDAINED AND ENACTED BY CHELTENHAM TOWNSHIP
ON _____, 2011.

Cheltenham Township

[Township Seal]

Attest:

Secretary

Township of Cheltenham

Montgomery County, Pennsylvania

Board of Commissioners

Harvey Portner, President
Art Haywood, Vice President
Kathy A. Hampton
Charles D. McKeown
J. Andrew Sharkey
Morton J. Simon, Jr.
Michael J. Swavola



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Website: cheltenhamtownship.org

Township Manager

David G. Kraynik

To: David G. Kraynik, Township Manager

From: Joseph Galdo, Director of Fiscal Affairs

Date: September 28, 2011

Re: Request to insert Revenue line item # 01-000-1092-114 Lien Collections into the 2012 Budget

As a means to improve Cheltenham Township's yearly revenue, I am recommending to you and the Commissioners that high consideration be given to inserting Revenue line item # 01-000-1092-114 Lien Collections.

Since my tenure with the Township and with the Township Manager's approval, I have implemented an internal process for the Accounting area to send out a dunning letter to residents that are delinquent with their Sewer and Refuse fees. This internal process has resulted in a lower accounts receivable and a better cash position (over \$125k).

By inserting this Revenue line item, we are creating a budget tool for the Township Manager as he attempts to mitigate a budget gap. Please note, as we manage our accounts receivable over the next couple of years, we will eventually achieve diminishing returns from this revenue line item.

Upon further review I would recommend the following process:

- Internally, the Accounting area would continue to focus on delinquent Sewer and Refuse fees. Under this scenario, we will send out 2-3 dunning letters to the delinquents in 2012 with at least one referencing the account will be referred to a collection agency (with all costs to be borne by the resident).
- Externally, we approve a contract with Portnoff Law Associates and pass an ordinance with them to collect delinquent Real Estate Taxes. Eventually, we can expand their purview if we see diminishing returns on the internal collection component.

Combined these processes can present the Township with a positive budget outcome of approximately \$150,000 – 185,000; although, there may be some off-setting miscellaneous costs.

In closing, I would highly recommend that this be implemented and be one of the allowable financial tools that will assist the Township Manager.

**AGREEMENT FOR COLLECTION OF
DELINQUENT REAL ESTATE TAXES
ON BEHALF OF CHELTENHAM TOWNSHIP**

Portnoff Law Associates, Ltd. (hereinafter "Portnoff") agrees to undertake the collection of delinquent real estate taxes during the term of this contract, for Cheltenham Township, (hereinafter referred to as "Township") pursuant to the following terms and conditions.

Township agrees to retain Portnoff as its exclusive agent and special counsel for the collection of unpaid real estate taxes during the term of this Agreement. Township agrees to enact any and all ordinances required by state law to impose the attorney fees, charges, expenses, commissions and fees set forth herein upon the delinquent property owner.

Township agrees to transmit to Portnoff, within sixty (60) days of the date the agreement becomes binding, the following: name of property owner, property address, billing address, tax parcel number, assessed value of the property, and the year and amount of the delinquency.

Township hereby retains Portnoff to provide all delinquent property owners with the notice as required by the Municipal Claims and Tax Liens Act, 53 P.S. §7101 et seq., at a cost of \$40.00 per notice, plus postage. Township will not be required to pay the invoice until revenue equal to the amount of the invoice has been generated through the collection process.

If the above steps do not result in payment in full, Portnoff shall undertake legal proceedings to collect Township's delinquent real estate taxes as set forth below and shall be compensated according to the following fee schedule:

<u>ACTION</u>	<u>LEGAL FEES</u>	<u>PROTHONOTARY FEES</u>	<u>SHERIFF FEES</u>
Verify data, set up and open file, prepare and send demand letter, account for monies received.	\$160.00		
File lien and send second letter and account for monies received. Prepare and file praecipe to satisfy lien.	\$250.00	Per current County fee schedule	
Prepare and file Writ of Scire Facias, account for monies received.	\$250.00	Per current County fee schedule	Varied
Prepare and mail correspondence per Pa. R.C.P. §237.1	\$ 30.00		
Prepare and file Default Judgment, account for monies received.	\$175.00	Per current County fee schedule	
Prepare and file Writ of Execution for Sheriff Sale.	\$800.00	Per current County fee schedule	Varied ¹

¹ A deposit of \$4,020.00 is required, and is adjusted based upon actual costs.

Township acknowledges that the fees set forth herein are fair and reasonable fees for the services to be provided.

There may be instances where additional legal action is necessary. If the sheriff is unable to serve the property owner, it may be necessary to re-issue the writ of scire facias. Portnoff's charge for the re-issuance is \$30.00. If it is necessary to move the court for service, Portnoff's charge for preparation of the pleadings and effectuating service is \$250.00. There may be advertising costs above and beyond the legal fee. If Portnoff is required to file a Petition to Assess Damages (i.e. the legal fees and costs), Portnoff's charge is \$50.00. If Township wishes for Portnoff to continue a Sheriff Sale, Portnoff's charge is \$50.00. If Portnoff must attend a Sheriff Sale, there is an additional charge of \$400.00 for Portnoff's preparation for the sale, attendance at the sale and the implementation of the paperwork thereafter. If it is necessary for Portnoff to petition the court for an Order to Sell Free and Clear, Portnoff's charge is \$400.00. If Portnoff receives a check that is returned from the bank, there will be a handling charge of \$30.00. If Portnoff receives an overpayment, and issues a refund, there will be a handling fee of \$20.00. If the property owner files for bankruptcy protection and Township wishes for Portnoff to file a claim on its behalf, there will be a charge of \$100.00.

In the event Township authorizes Portnoff to accept a payment schedule involving payments of three (3) months or less, Portnoff shall be entitled to a one-time fee of \$25.00 for bookkeeping services. In the event Township authorizes Portnoff to accept a payment plan schedule involving payments of more than three (3) months, Portnoff shall be entitled to a one-time fee of \$50.00 for bookkeeping services. If Portnoff is asked to research and prepare a guaranteed written payoff letter that sets forth the status of delinquent accounts within the Township, the fee for doing so is \$25.00.

If extraordinary litigation arises, Township will be billed at an hourly rate. For instance, if a property owner files an affidavit of defense to the writ of scire facias, Portnoff will keep daily records of time expended in prosecuting the claim, and bill for that time at an hourly rate, together with any out of pocket costs. The rate of Portnoff's personnel ranges from \$60-\$225 per hour. Portnoff will have the work delegated cost-effectively. If Portnoff prepares a Request for Production of Documents in preparation for trial, the charge is \$25.00. The charge to prepare a Pre-Trial Memorandum is \$150.00. The charge to prepare a Motion for Judgment for Want of Sufficient Affidavit of Defense pursuant to 53 P.S. §7271 is \$150.00.

The charges for out-of-pocket costs, expenses, commissions and fees which include, but are not limited to, postage, title searches, prothonotary fees, and sheriff fees, are passed directly on to Township and may vary from those set forth above. All of the above charges are passed on by Township to the delinquent property owner and become a part of its lien.

Portnoff Law Associates, Ltd. will undertake the representation of Township in the collection of its delinquent real estate taxes without any out-of-pocket expense to the Township with the understanding that the payment of Portnoff's legal fees and court costs will be contingent upon collection thereof from the delinquent property owner, subject to the following caveats:

1. If the Township suspends legal action prior to payment in full or the listing of the real estate for Sheriff Sale, and/or
2. If legal proceedings are instituted or continued due to Township error, and/or
3. Upon expiration or termination of the contract.

In those situations, the Township is obligated to pay Portnoff all fees and costs incurred in connection with those accounts.

Portnoff will remit funds received, together with a detailed accounting, in an easy-to-read format, no less frequently than once per month, and weekly when the accumulated funds are more than \$1,000.00. In the event Township requires additional information, record organization or custom financial reports, Township shall be charged a minimum of \$25.00 per request, and will be billed at an hourly rate of \$60.00.

Portnoff agrees to indemnify, hold free and save harmless Township from any and all acts or omissions of Portnoff in the collection of the above-mentioned delinquencies. Township shall save harmless and indemnify Portnoff from and against any and all loss, damage or claim for actual or attempted fee collection arising from the withholding of correct, legal or proper information by Township from Portnoff.

It is understood and agreed that the success of this process is predicated upon Township's willingness to proceed to Sheriff Sale in the absence of payment. In the event Township desires to suspend litigation prior to payment in full, or the listing of the real estate for sheriff sale, Township becomes immediately obligated to reimburse Portnoff for all costs and to pay Portnoff all fees for all services actually performed until the withdrawal in connection with the withdrawn claims.

Township agrees at all times to provide Portnoff with cooperation and candor, and to respond in a timely manner to all requests and inquiries Portnoff may have with regard to any assessment or other matter germane to Portnoff's representation. Portnoff likewise agrees at all times to provide the Township with a listing of information and respond in a timely manner to all requests and inquiries the Township may have with regard to any assessment, pending claim, or any other matter pertaining to a delinquent account. The Township agrees to refer to Portnoff for collection all those accounts which are declared delinquent by the Township. Township agrees to adopt a policy whereby requests for hardship exemptions can be properly evaluated. Portnoff will assist, upon request, in the establishment and administration of such a policy without additional charge. Township reserves the right to determine which accounts are declared delinquent and all such accounts shall be referred to Portnoff.

Prior to initiating any official duties, Portnoff shall give and acknowledge a bond to the Township as follows:

1. Portnoff will obtain a surety bond yearly in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00).

2. Each bond shall be joint and several, with one (1) or more corporate sureties, which shall be surety companies authorized to do business in the Commonwealth of Pennsylvania and licensed by the Pennsylvania Insurance Department.

3. Each bond shall be conditioned upon the completion of all of the following by Portnoff's employees, agents and appointees:

- i. the faithful execution of all duties required in the collection of delinquent real estate taxes;
- ii. the just and faithful accounting or payment over of all monies and balances paid to, received or held by Portnoff by virtue of this Agreement;
- iii. the delivery of all tax records or other official items held by Portnoff to any successor.

4. Each bond shall be taken in the name of the Township and shall be for the use of the Township.

5. The Township may sue upon the bond for the payment or distribution of any taxes, fees, charges, expenses, commissions including, but not limited to, attorney's fees, and interest not paid over to the Township as a result of the violation of any of the aforesaid duties.

6. Each bond shall contain the name of the surety company bound on the bond.

7. The Township may, upon cause shown and due notice to Portnoff and Portnoff's sureties, require or allow the substitution or the addition of a surety company acceptable to the Township for the purpose of making the bond sufficient in amount, without releasing the sureties first approved from any accrued liability or previous action on the bond.

8. The Township shall designate the custodian of the bond.

9. Portnoff shall provide to the Township and the Township Solicitor copies of all bonds in effect with the Township.

10. Copies of all bonds in effect shall be made available upon request of the Township and at no cost to the Township.

This agreement shall be in effect from December 1, 2011 through December 31, 2012. This agreement shall be renewed under the same terms and conditions bi-annually for two year terms thereafter unless either party provides written notice of termination to the other no later than 45 days prior to the expiration of the contract. Upon termination of the contract, Township shall promptly execute and deliver whatever documents are necessary to allow Portnoff to formally withdraw its appearance in any and all pending litigation. Termination of the contract does not relieve any obligations of Township to pay any sums due Portnoff hereunder.

This agreement becomes binding upon Township upon adoption by Township of an appropriate ordinance as to the same. No terms and/or conditions of this agreement may be changed without first receiving approval from Township.

Cheltenham Township

Portnoff Law Associates, Ltd.

By: _____

By: _____

Attest: _____

Attest: _____

Date: _____

Date: _____

**RESOLUTION DIRECTING MONTGOMERY COUNTY TAX CLAIM BUREAU
NOT TO COLLECT DELINQUENT REAL ESTATE TAXES ON BEHALF OF
CHELTENHAM TOWNSHIP**

RESOLUTION NO. _____

WHEREAS, Cheltenham Township ("Township") is authorized to collect delinquent taxes pursuant to the Municipal Claims and Tax Liens Act, 53 P.S. Section 7101 et seq., as amended (the "Act"); and

WHEREAS, the Township has determined that it is in the best interest of all taxpayers and other residents to have vigorous enforcement of all delinquent and other unpaid charges, utilizing the procedures set forth in the Act; and

WHEREAS, the Township has contracted with a third party collector for the collection of delinquent real estate taxes, utilizing the procedures set forth in the Act; and

WHEREAS, the Montgomery County Tax Claim Bureau ("Bureau") is an agent of the Township as per 72 P.S. Section 5860.208 of the Real Estate Tax Sale Law (RETSL); and

NOW, THEREFORE, IT IS HEREBY ORDAINED AND ENACTED BY CHELTENHAM TOWNSHIP AS FOLLOWS:

1. Until further notice, the Township declares that it is collecting the delinquent real estate taxes utilizing the procedures set forth in the Act, exclusively and independently of any other statute governing the collection of taxes, including the Act of July 7, 1947 (P.L. 1368, No. 542), known as the "Real Estate Tax Sale Law" and independent of any county tax claim bureau.
2. Until further notice, the Township directs the Bureau not to take any action to collect the delinquent real estate taxes, except that when the Bureau is selling any property at Upset Sale, Private Sale, Judicial Sale or Repository Sale under the procedures set forth in the RETSL, the Bureau is directed by the Township to include tax delinquencies being collected by the Township's third party collector. The Township further directs the Bureau not to incur any costs or liabilities for said delinquent taxes except as necessary for the Bureau to include said delinquent taxes when the Bureau is selling properties at the Bureau's Upset Sale, Private Sale, Judicial Sale or Repository Sale pursuant to the RETSL.
3. **Related Action.** The proper officials of the Township are hereby authorized and empowered to take such additional action as they may deem necessary or appropriate to implement this Resolution.

DULY ORDAINED AND ENACTED BY CHELTENHAM TOWNSHIP ON
_____, 20__.

CHELTENHAM TOWNSHIP

[Seal]

Attest:

Secretary

TOWNSHIP OF CHELTENHAM

RESOLUTION NO. _____

RESOLUTION INCREASING ALARM PERMIT FEES

WHEREAS, the Township of Cheltenham has not increased its Alarm Permit Fees since 1995; and

WHEREAS, it has been determined that the revenue received from Alarm Permit Fees is insufficient to cover the reasonable and necessary expenses generally incurred by the Township in responding to alarms; and

WHEREAS, the Township of Cheltenham has the authority to set Alarm Permit Fees pursuant to Chapter A300-1 of the Cheltenham Code; and

WHEREAS, the Board of Commissioners of the Township of Cheltenham deems that it is in the best interest of the Township and its citizens to increase the fees for Alarm Permits.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Township of Cheltenham, County of Montgomery, Commonwealth of Pennsylvania, that, pursuant to Chapter 86 of the Cheltenham Code, Alarms, Article II, False Alarm Notification Control, the following fees are hereby adopted:

- (1) Permit fee for application for new alarms systems: Fifty dollars (\$50.00).
- (2) Annual renewal of alarm user's permit: Twenty-five dollars (\$25.00).
- (3) Annual renewal of alarm user's permit for users sixty-five (65) and older: Twenty dollars (\$20.00).
- (4) Late charge fee for user's who fail to obtain a new alarm permit when there is an activation of a new alarm system: Thirty-five dollars (\$35.00).
- (5) Late charge fee for user's who fail to obtain the annual renewal alarm permit: Thirty-five dollars (\$35.00) per year.
- (6) Late charge fee for user's who fail to pay the renewal alarm user's permit within sixty (60) days of being invoiced by the Township of Cheltenham: Thirty-five dollars (\$35.00).
- (7) Restoration fee for an alarm user whose permit is revoked: Six hundred dollars (\$600.00).

All prior resolutions and enactments inconsistent herewith are repealed and superceded.

ENACTED into a **RESOLUTION** this _____ day of **November 2011**.

**TOWNSHIP OF CHELTENHAM
BOARD OF COMMISSIONERS**

By: _____
Harvey Portner, President

ATTEST: _____
David G. Kraynik
Township Manager/Secretary

Township of Cheltenham

Montgomery County, Pennsylvania

Board of Commissioners

Harvey Portner, President
Art Haywood, Vice President
Kathy A. Hampton
Charles D. McKeown
J. Andrew Sharkey
Morton J. Simon, Jr.
Michael J. Swavola



Administration Building
8230 Old York Road
Elkins Park, PA 19027-1589

Phone: 215 887-1000
FAX: 215 887-1561
Website: cheltenhamtownship.org

Township Manager

David G. Kraynik

To: David G. Kraynik, Township Manager
From: Joseph Galdo, Director of Fiscal Affairs
Date: September 28, 2011
Re: Request to increase the "Burglar Alarm Permits" (01-000-1093-001)

As a means to improve Cheltenham Township's yearly revenue, I am recommending to you and the Commissioners that high consideration be given to increasing the fees for "Burglar Alarm Permits." The current pricing schedule may date back to the initial implementation of this fee, but at a minimum, it is over 8 years old.

Below are the pricing schedules:

2012 Proposed

Initial Fee - Set Up \$50
Senior Annual (65 y/o) \$20
Non Senior Annual \$25
Yearly Penalty (non-payment) \$35

Current

Initial Fee - Set Up \$35
Senior Annual (65 y/o) \$10
Non Senior Annual \$15
Yearly Penalty (non-payment) \$25

Since 2009 we have been averaging about \$38,000 a year, and we are projecting out the same for 2011. If the increase is implemented, we can conservatively project an additional \$20,000 - \$28,000 in revenue. Concurrently, the Accounting Department will work on measures to increase our database population so as to have a truer accounting, and, thus, an enhanced revenue projection.

Research conducted out of the Accounting office disclosed the following:

- Abington Township does not have a residential fee, but they charge a yearly \$50 fee for commercial;
- Springfield, Upper Moreland, and Lower Moreland Townships charge no fee;
- Radnor Township charges a one time \$100 fee;
- Philadelphia charges a \$50 yearly fee; and
- Lower Merion charges a \$58 yearly residential fee and a \$91 yearly commercial fee.

In closing, I would highly recommend that this be implemented and be one of the allowable financial tools that will assist the Township Manager combat a budget gap.