

## **FINANCE COMMITTEE**

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Michael J. Swavola, Vice Chairman  
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Art Haywood, Member  
Charles D. McKeown, Member  
J. Andrew Sharkey, Member  
Harvey Portner, Ex-Officio, Board President

### **AGENDA**

Wednesday, July 13, 2011  
7:30 PM Curtis Hall

1. Review of the Executive Financial Summary Report for the period ended June 30, 2011. (Five-Year Analysis attached)
2. Consider entering into a contract with Portnoff Law Associates, Ltd. to collect delinquent sewer fees, refuse fees, and real estate taxes. See attached.
3. Discussion regarding the necessity of issuing Tax Anticipation Notes (TANS). See attached.
4. Consider eliminating the \$3,000 exemption for payment of the Earned Income Tax. See attached.
5. Old Business.
6. New Business.
7. Citizen's Forum.
8. Adjournment.



David G. Kraynk  
Township Manager

**FIVE YEAR ANALYSIS - AS OF JUNE 2011**

	2011	2010	2009	2008	2007
<b>Expenses</b>	55%	55%	54%	54%	53%
<b>Revenues</b>	75%	75%	75%	71%	73%
<b>EIT</b>	51%	50%	40%	41%	49%
<b>Group Health Ins.</b>	51%	47%	48%	50%	48%
<b>Real Estate</b>	94%	95%	95%	95%	95%



## PORTNOFF LAW ASSOCIATES, LTD.

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### MICHELLE R. PORTNOFF, ESQUIRE

Michelle Portnoff is the co-founder (with her father, Alan Portnoff) of Portnoff Law Associates, Ltd., a law firm whose sole focus is the collection of delinquent real estate taxes and municipal user fees. Under her direction, the firm grew from a three-person office representing five municipalities, to a 70-person office, representing approximately 85 municipalities and school districts throughout Pennsylvania. She is a winner of the Chester County Bar Association public service award for her involvement in establishing a telephone hotline to provide free legal advice to the public.

Ms. Portnoff is a graduate of Bryn Mawr College (A.B. 1981) and the University of Miami School of Law (J.D. 1985). She resides with her husband and children in Lower Merion, Pennsylvania.

### JASON J. LEININGER, ESQUIRE

Jason J. Leininger has been an associate attorney with Portnoff Law Associates, Ltd. since 2003. He represents our Berks, Bucks, Chester, Delaware and Montgomery County clients.

He is currently a member of the Berks, Bucks and Montgomery County Bar Associations, and has been a member of the Pennsylvania Bar since 2001. In addition to his license to practice in the Commonwealth of Pennsylvania, he is admitted to practice in the United States Bankruptcy Courts for the Eastern, Middle and Western Districts of Pennsylvania.

Mr. Leininger graduated from Houghton College (B.A. 1998) and from Temple University (J.D. 2001, M.B.A. 2001). Prior to joining Portnoff Law Associates, Ltd., Mr. Leininger worked as an associate attorney at the Law Offices of Alan S. Carpel, where he handled bankruptcy and commercial transactions, in addition to collection cases.

In his free time, Mr. Leininger enjoys gardening and is an avid volleyball player.



## PORTNOFF LAW ASSOCIATES, LTD.

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### WHY DO MUNICIPALITIES CHOOSE PORTNOFF LAW ASSOCIATES?

The collection of delinquent real estate taxes and municipal user fees can be a time-consuming and frustrating task for a municipality already stretched to the limit in resources and personnel. Fortunately, there is a direct and simple approach to the recovery of your delinquent revenue.

Portnoff Law Associates, Ltd. is a fully staffed law firm that limits its practice to the collection of delinquent real estate taxes and municipal user fees. With over twenty years of experience in the field, Portnoff currently represents over thirty municipalities and authorities in the collection of accounts ranging from water, sewer, and trash fees to fire marshal, streetlight, and abatement of nuisance charges.

The Portnoff Process offers our clients several substantial advantages. We maintain state-of-the-art software and hardware that allows us to collect delinquencies quickly and efficiently. We employ a highly trained legal staff committed to excellence in customer service. Property owners that contact our office are offered the opportunity to enroll in payment plans without the accrual of additional legal fees. We also administer a hardship program on behalf of our clients that allows residents with legitimate financial difficulties to make more flexible payment arrangements.

Most importantly, you will be charged no commissions for these services; instead, the costs of collection are passed on to the delinquent property owner. We will remit 100% of the fee, penalty, and interest collected to your organization on a weekly basis, allowing you to keep municipal expenses to a minimum.

Please do not hesitate to contact me at (866) 776-1308 or [mportnoff@portnoffonline.com](mailto:mportnoff@portnoffonline.com) with any questions.

MICHELLE R. PORTNOFF, ESQUIRE



## PORTNOFF LAW ASSOCIATES, LTD.

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### Frequently Asked Questions

**I. What is the benefit of using Portnoff Law Associates, Ltd. ("PLA") to collect delinquent real estate taxes?**

1. We collect delinquencies faster. We receive between 20% and 50% of the delinquent taxes within 45 days of the initial notice. We remit all funds as collected (subject to a 10 day hold) weekly so the funds are readily accessible. Our remittance report can be customized to meet your needs.
2. We evaluate each account according to its own set of circumstances and proceed subject to parameters established by the municipality. We make recommendations to the municipality, which controls the process at all times.
3. Our efforts result in a documented reduction in future delinquencies and increase in your current tax collection rate.

**II. What is the relationship between PLA and the county Tax Claim Bureau?**

Current law requires all municipalities to make a return of its delinquent taxes to the County Tax Claim Bureau. This return triggers an obligation on the part of the municipality to pay the Tax Claim Bureau a 5% commission upon collection of the tax. This 5% commission is due regardless of whether the tax is collected through the efforts of the Tax Claim Bureau. If PLA is retained, the municipality must instruct the Tax Claim Bureau to take no action to collect the delinquent taxes to avoid multiple demands from different collectors for the same debt. If instructed, PLA will remit 5% of the tax and penalty collected to the county Tax Claim Bureau upon collection.

**III. How does PLA differ from other third party collectors that want to purchase liens outright?**

At Portnoff Law Associates, the municipality maintains control of the collection process at all times. We can pursue delinquent taxpayers as aggressively or leniently as the municipality deems appropriate. The municipality may also reserve the right to review all hardship applications to make determinations on long term payment plans. Additionally, the municipality does not pay a fee for the use of PLA's services. Third party lien buyers can charge up to a 10% penalty on all liens sold.

**IV. How much will it cost the municipality to utilize PLA's services?**

In a perfect world, there is no surcharge to the municipality to use Portnoff Law Associates. Under Pennsylvania law, the fair and reasonable costs of these collection proceedings may be assessed against the delinquent taxpayer. A list of our present charges is separately available. The municipality is required to send an initial delinquent notice at a cost of approximately \$45.00 apiece; the municipality is reimbursed fully for this charge upon payment by the taxpayer. All other legal fees and court costs, without exception, are contingent upon payment by the property owner, except in the event of municipality error (i.e., an account is not delinquent), or the suspension of legal action without economic justification.

**V. When will the municipality receive the funds collected by PLA? How will the municipality be updated on the progress of delinquent accounts?**

PLA remits all monies received, including interest and penalties, to our clients on a weekly basis. The remittance statement identifies who has paid, how much has been paid, against which account the payment has been applied, and the balance due on that account. This weekly accounting affords the municipality immediate use of its money. It also enables the municipality to track its receivables with accuracy.

**VI. How will taxpayers react to the municipality's involvement with PLA?**

Portnoff Law Associates is a professional law firm with verifiable local references and a twenty year track record. We have a friendly, highly trained staff that treats every taxpayer with courtesy and respect. We work hard to accommodate each individual's unique situation through the administration of our hardship program and extended payment plans.

**VII. How does the municipality ensure that those people who cannot pay are treated fairly?**

Portnoff Law Associates administers a hardship program at no cost to the municipality or the property owner. The hardship program is designed to help low-income property owners pay the taxes on their homes. Once a property owner is deemed a hardship, it is their ability to pay that drives the payment arrangement. There is no minimum payment that we will accept (though the municipality has the right to establish one), and there is no surcharge for a long term payment plan.

**VIII. Will the municipality own real estate?**

In 2007, we listed 266 properties for sheriff sale (of approximately 57,000 delinquent accounts). Of the 266 properties listed for sale, 25 properties actually sold, 24 of which were bought by third party bidders. In summary, the municipality must be prepared to own real estate, but the frequency of ownership is statistically insignificant.

**IX. How will the municipality's future tax collection efforts be affected by the services of Portnoff Law Associates?**

Under our program, the delinquent taxpayer is provided with an incentive for prompt payment due to the concern over the imposition of legal fees. Thus, our clients have reported a decrease in the delinquency rate during the second year of our representation, and each successive year thereafter. Our program shows taxpayers that the taxing district takes delinquencies seriously, and most taxpayers subsequently meet the expectation of a timely payment.

**X. What time commitment is required on the part of the municipality?**

Portnoff Law Associates requires a point person at the municipality to answer factual questions and provide instructions where indicated. It is estimated that the time commitment is approximately 5 – 10 hours per month.

**XI. What steps does the municipality need to take to proceed with Portnoff Law Associates?**

The municipality needs to sign a contract and enact an ordinance imposing our fee schedule as fair and reasonable costs of collection upon the delinquent property owner. We will meet with a municipal representative to review payment and collection parameters. Once we get the data, we will commence collection proceedings. Though we prefer Excel format, we can work with anything, including hard copy reports or tax bills.

**XII. Who can I contact for additional information?**

Please contact Michelle R. Portnoff, Esquire, at (866) 776-1308 or [mportnoff@portnoffonline.com](mailto:mportnoff@portnoffonline.com) with any questions or for additional information.



# PORTNOFF LAW ASSOCIATES, LTD.

## MONTGOMERY COUNTY CLIENTS

### ***Abington School District***

970 Highland Avenue  
Abington, PA 19001  
Christopher Lionetti  
Business Manger  
(215) 881-2541

### ***Township of Lower Merion***

75 East Lancaster Avenue  
Ardmore, PA 19003  
Dean Dortone  
Director of Finance  
(610) 645-6138

### ***Norristown Area School District***

401 North Whitehall Road  
Norristown, PA 19403  
Anne Marie Rohricht  
Business Administrator  
(610) 630-5006

### ***Pottsgrove School District***

1301 Kauffman Road  
Pottstown, PA 19464  
David L. Nester  
Business Administrator  
(610) 327-2277

### ***Souderton Area School District***

760 Lower Road  
Souderton, PA 18964  
Robert P. Bruchak  
Director of Business Affairs  
(215) 723-6061

### ***Upper Perkiomen School District***

2229 East Buck Road  
Pennsburg, PA 18073  
Sandra M. Kassel  
Business Manager  
(215) 541-2446

### ***Township of Abington***

1176 Old York Road  
Abington, PA 19001  
Susan W. Matiza  
Finance Director  
(267) 536-1049

### ***Lower Moreland Twp School District***

2551 Murray Avenue  
Huntingdon Valley, PA 19006  
Mark McGuinn  
Business Manager  
(215) 938-0270

### ***Municipality of Norristown***

***Norristown Municipal Waste Authority***  
235 East Airy Street  
Norristown, PA 19401  
Barry Thompson  
Office Manager  
(610) 270-3190

### ***Borough of Pottstown***

***Pottstown Borough Municipal Authority***  
100 East High Street  
Pottstown, PA 19464  
Jason Bobst  
Borough Manager  
(610) 970-6634

### ***Upper Dublin School District***

1580 Fort Washington Avenue  
Maple Glen, PA 19002  
Brenda Jones Bray  
Business Administrator  
(215) 643-8811

### ***Township of Upper Pottsgrove***

1409 Farmington Avenue  
Pottstown, PA 19464  
Michelle Reddick  
Planning & Zoning Administrator  
(610) 323-8675

### ***Twp. of Cheltenham School District***

2000 Ashbourne Road  
Elkins Park, PA 19027  
Matthew J. Malinowski  
Director of Business Affairs  
(215) 881-6342

### ***Lower Pottsgrove Township***

***Lower Pottsgrove Township Authority***  
2199 Buchert Road  
Pottstown, PA 19464  
Roger Hawthorne  
Township Manager  
(610) 323-0436

### ***Perkiomen Valley School District***

3 Iron Bridge Drive  
Collegeville, PA 19426  
James D. Weaver  
Business Manager  
(610) 489-8506

### ***Pottstown School District***

Beech and Penn Streets  
Pottstown, PA 19464  
Linda S. Adams  
Business Administrator  
(610) 323-8200

### ***Upper Moreland Twp School District***

2900 Terwood Road  
Willow Grove, PA 19090  
Michael J. Braun  
Business Manager  
(215) 830-1504

### ***Wissahickon School District***

601 Knight Road  
Ambler, PA 19002  
Wade Coleman  
Business Administrator  
(215) 619-8000



## PORTNOFF LAW ASSOCIATES, LTD.

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### Overview of Portnoff Process™

#### Step I: Notice of Delinquency

The taxing district notifies the delinquent property owner by certified mail, return receipt requested, to advise of the delinquent balance and afford the property owner a thirty day grace period to make arrangements for payment without the imposition of any legal fees and costs. That notice also includes a copy of the fees to be imposed if legal proceedings are required due to the failure of the property owner to timely respond to the notice. If the certified mail is returned "unclaimed," or is not delivered for any other reason, a second notice must be sent by first class mail to the property owner.

#### Step II: Review of Claims and Issuance of Demand Letter

**Legal Fee: \$160.00**

We review the information provided by the taxing district and verify the ownership information with the county. If there are discrepancies, we notify the taxing district and correct our records. If the taxing district does not have the ability to transmit the data electronically, the data is entered into our systems manually, with a second review for accuracy. We review the file to ensure that the property owners were properly served with notice of fee shifting. We prepare and mail a demand letter, which advises the property owner that a lien will be filed against the property in the absence of a response. The basic charge for this step also includes responding to all telephone and written inquiries, preparing, mailing and monitoring of any applications for hardship consideration, confirming payment plans in writing, posting and remitting any payments and responding to inquiries into any issues raised by the property owner (i.e., allegations of prior payment, liability for the obligation, etc.). We maintain detailed records of all communications involving the delinquent account, which are available to the taxing district at any time.

#### Step III: Issuance of Lien

**Legal Fee: \$250.00**

We prepare and file a lien against the property and issue a notice to the owner that a lien has been filed. We also file a certificate of service with the Prothonotary. We continue to respond to all telephone and written inquiries and to post and remit any payments. We also continue to issue and monitor any applications for hardship consideration, confirm payment plans in writing, and inquire into any issues raised by the property owner (i.e., allegations of prior payment, liability for the obligation, etc.). We continue to maintain detailed records of all communications involving the delinquent account, which are available to the taxing district at any time.

If the value of the property may not warrant further collection efforts, we send a letter to the taxing district requesting them to determine the condition of the property and advise as to whether or not they would like us to proceed with the issuance of the writ of scire facias.

**Step IV: Issuance of Writ of Scire Facias**

**Legal Fee: \$250.00**

We prepare and file the writ of scire facias and the sheriff service form and monitor the file for service by the Sheriff. When an owner is absent, we conduct a detailed investigation of the file and the public records to determine the best and most cost efficient method of obtaining service. We continue to respond to all telephone and written inquiries and post and remit any payments. We also continue to issue and monitor any applications for hardship consideration, confirm payment plans in writing, and inquire into any issues raised by the property owner (i.e., allegations of prior payment, liability for the obligation, etc.). We continue to maintain detailed records of all communications involving the delinquent account, which are available to the taxing district at any time.

**Step V: Notice of Intention to File Judgment for Want of an Answer**

**Legal Fee: \$30.00**

We verify that service was accomplished by the Sheriff. If no defense is entered, we issue a notice to the property owner of our intention to file a judgment for want of an answer. We continue to respond to all telephone and written inquiries and post and remit any payments. We also continue to issue and monitor any applications for hardship consideration, confirm payment plans in writing, and inquire into any issues raised by the property owner (i.e., allegations of prior payment, liability for the obligation, etc.). We continue to maintain detailed records of all communications involving the delinquent account, which are available to the taxing district at any time.

**Step VI: Judgment**

**Legal Fee: \$175.00**

We prepare and file the paperwork necessary to secure a judgment against the property. The Prothonotary sends a notice of the entry of judgment. In addition, we send a final demand letter advising the delinquent property owner of the risk and costs associated with a Sheriff Sale and affording an additional thirty days to contact our office to make arrangements for payment. We continue to respond to all telephone and written inquiries and post and remit any payments. We also continue to issue and monitor any applications for hardship consideration, confirm payment plans in writing, and inquire into any issues raised by the property owner (i.e., allegations of prior payment, liability for the obligation, etc.). We continue to maintain detailed records of all communications involving the delinquent account, which are available to the taxing district at any time.

## **Step VII: Sheriff Sale**

**Legal Fee: \$800.00**

This is the last step in the process. It involves the preparation and filing of the paperwork necessary to expose a property to Sheriff Sale. The process is labor intensive because both United States and Pennsylvania law require that notice be afforded not only to the delinquent owner of the real estate, but also to all others who may have an interest in the property, including mortgage holders, judgment creditors, and any taxing authorities. The writ of execution also requires a deposit with the Sheriff. This deposit varies by County.

Because some properties may not have sufficient value to warrant the expense of a Sheriff Sale, we send a list of properties to the taxing district before this step in the process to secure the taxing district's permission to take each of the properties to sale. Based on the likelihood of sale, we recommend that properties with assessed values under \$10,000 not be exposed to Sheriff Sale, while properties that are assessed at a value over \$25,000 be taken to sale.



## PORTNOFF LAW ASSOCIATES, LTD.

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### Hardship Application Processing Procedure

- I. Most clients of Portnoff Law Associates have authorized that payment plans based upon the amount of the delinquency be offered to all property owners. In our initial thirty-day notice of delinquency, all property owners are advised that payment plans are available according to parameters established by the client. Standard plan parameters tend to permit for a three-month payment plan for a balance in excess of \$500.00, and a six-month payment plan for a balance in excess of \$1,500.00. All property owners are also advised in the initial notice of delinquency to contact Portnoff Law Associates to request a hardship application for extended payment terms if a traditional payment plan for the delinquency would create a financial hardship.
- II. Hardship applications are available to all property owners who reside at the property address. Hardship consideration for extended payment arrangements is denied as a matter of course to owners of all commercial and rental real estate, as well as to all corporations. In such a situation, we require the property owner to submit a request in writing that explains the extenuating circumstances upon which he or she is basing the request for the special consideration of extended payment arrangements.
- III. Property owners are given fifteen days to return a completed hardship application. If a hardship application is immediately requested in response to our initial thirty-day notice of delinquency, the property owner is then given thirty days to return the completed application.
- IV. If a property owner returns an incomplete hardship application (e.g. does not provide specific numeric amounts for total monthly household income, specific numeric amounts for fixed monthly expenses and/or a specific numeric proposal for monthly payments), a follow-up letter is sent to notify the individual that his or her application cannot be processed without providing this basic information. In such a situation, the property owner is given an additional fifteen days to provide this information.
- V. All clients have the option to process hardship applications themselves or authorize Portnoff Law Associates to process the applications on their behalf. When a client authorizes our firm to review hardship applications, a property owner's proposal for monthly payments is assessed in relation to the overall picture of his or her financial situation as reflected in the details of the application (presuming the application has been sufficiently completed). Hardship consideration is typically reserved for property owners with low monthly income (including fixed income, unemployment, and disability compensation), property owners who may have multiple dependants, and property owners whose fixed monthly expenses consist of high medical expenses, high monthly mortgage utility payments, and/or any other expense that represents a significant financial hardship. High monthly payments for a brand new car, high credit card debt, high loan debt, high monthly cable TV payments, and other such expenses not representing "necessities" do not qualify for hardship consideration (thus, they are not necessarily factored into our assessment of the overall financial situation). Adjustments to these property owners' payment proposals are typically made and their plans are established accordingly. For example, a property owner may propose a twelve-month payment plan on a \$3,000.00 balance, while paying \$600.00 per month for a brand-new car. Our office may then offer the individual an eight-month payment plan.
- VI. Hardship applications reflecting the most extreme of financial circumstances are typically forwarded to our clients for review with the recommendation that the accounts be liened and closed to preserve the client's interest in the claim.



## PORTNOFF LAW ASSOCIATES, LTD.

1000 Sandy Hill Road, Suite 150 • Norristown, PA 19401 • Tel. (800) 561-7989 • Fax (484) 690-9307

March 3, 2011

John Smith  
123 Main Street  
Anytown, PA 12345

**Re: Delinquent Real Estate Taxes and Municipal User Fees for the year 2010**  
Property: 123 Main Street, Anytown, Pennsylvania  
Parcel No.: 123-45-6789  
Balance Due: **\$660.00\***

Dear Mr. Smith:

This law firm is a debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose.

Enclosed please find an application for hardship consideration. Kindly complete the application in its entirety and return it to Portnoff Law Associates, Ltd., P. O. Box 351, Norristown, PA 19404 within 15 days of the date of this letter. Unless all information is completed, we will be unable to process the application.

After we receive your completed application, we will discuss your eligibility for your proposed payment plan with the taxing district. Please note, you may be asked to provide proof of income, including but not limited to a copy of your most recent tax return. All information will be kept strictly confidential. You may make voluntary payments during the time that your application is being evaluated.

We shall place the above-referenced account in suspense for 15 days. Unless we receive the completed application within 15 days of the date of this letter, we shall assume that you withdraw your request for hardship.

If you have any questions regarding the above, please call this office.

Very truly yours,

PORTNOFF LAW ASSOCIATES, LTD.

BY: \_\_\_\_\_

ROBERT A. MILLER  
Legal Assistant

11-12345-0/HSB  
Enclosure

\*The current breakdown of your account is as follows:

	Principal	Interest	Attorneys Fees	Court Costs	Total
Charges	\$300.00	\$4.50	\$335.00	\$20.50	\$660.00
Payments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Balance	\$300.00	\$4.50	\$335.00	\$20.50	\$660.00

# HARDSHIP APPLICATION

**Due Date: March 18, 2011**

File No: 11-12345-0

Balance Due: **\$660.00**

I, \_\_\_\_\_, hereby request an alternate arrangement for payment and I aver the following:

1. I am the record owner of real estate located at: \_\_\_\_\_

2. Due to my financial condition, I am unable to pay my 2010 real estate taxes and municipal user fees:

Yes / No (circle one)

3. I am unable to obtain outside funds to pay these real estate taxes and municipal user fees:

Yes / No (circle one)

4. I presently reside at: \_\_\_\_\_

5. I also own real estate at (list all): \_\_\_\_\_

6. I receive rental income from real estate I own: Yes / No (circle one)

If yes, which real estate (list all): \_\_\_\_\_

7. I represent that all information provided on the attached pages relating to my ability to pay my 2010 real estate taxes and municipal user fees is true and correct.

8. I propose the following monthly payment plan (include a dollar amount and due date):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. (OPTIONAL) I believe these additional circumstances affect my ability to pay:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand that I have a continuing obligation to inform the Municipality of any improvement to financial circumstances which would permit payment of the municipal claim herein. I verify that the statements made in this petition are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S. §4904, relating to unsworn falsification to authorities.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

11-12345-0/HSB

**A. EMPLOYMENT:**

I am presently *employed* by:

Employer: \_\_\_\_\_

Address: \_\_\_\_\_

OR:

I am presently *unemployed*.

My last date of employment was: \_\_\_\_\_

**B. INCOME:**

	Self	Spouse
1. Current Gross Salary/Wages (per month)	\$	\$
2. If unemployed, Previous Gross Salary/Wages (per month)	\$	\$
3. Social Security Benefits Received (per month)	\$	\$
4. Disability Payments Received (per month)	\$	\$
5. Unemployment Compensation or Supplemental Benefits (per month)	\$	\$
6. Workman's Compensation Payments Received (per month)	\$	\$
7. Public Assistance Received (per month) Type:	\$	\$
8. Support Payments Received (per month)	\$	\$
9. Pension and/or Annuity Payments Received (per month)	\$	\$
10. Interest Payments Received (within the past 12 months)	\$	\$
11. Dividends Received (within the past 12 months)	\$	\$
12. Other Income Source:	\$	\$

**C. ASSETS:**

	Value
13. Checking Account (balance as of last statement)	\$
14. Savings Account (balance as of last statement)	\$
15. Certificates of Deposit	\$
16. Real Estate	\$
17. Car #1 Make: Year:	\$
18. Car #2 Make: Year:	\$
19. Retirement Account/401K	\$
20. Other Assets Type:	\$

**D. EXPENSES:**

	Per Month	Outstanding Balance
21. Mortgage Payment Name of Mortgage Company:	\$	\$
22. Rent Payment	\$	\$
23. Car #1 Payment	\$	\$
24. Car #2 Payment	\$	\$
25. Loan Payments Type:	\$	\$
26. Credit Card Payments Card: Card: Card:	\$ \$ \$	\$ \$ \$
27. Support Payments Paid	\$	\$
28. Heating Oil Bill	\$	\$
29. Heating/Cooking Gas Bill	\$	\$
30. Electric Bill	\$	\$
31. Water Bill	\$	\$
32. Trash/Sewer Bill	\$	\$
33. Telephone Bill	\$	\$
34. Cell Phone Bill	\$	\$
35. Internet Bill	\$	\$
36. Cable Television Bill	\$	\$
37. Medical Bills	\$	\$
38. Prescriptions	\$	\$
39. Medical Insurance	\$	\$
40. Auto Insurance	\$	\$
41. Other Insurance Type:	\$	\$
42. Food/Grocery Expenses	\$	\$
43. Other Type:	\$	\$

**E. DEPENDENTS:**

Name	Relation to You	Age
1.		
2.		
3.		
4.		
5.		



PORTNOFF LAW ASSOCIATES, LTD.

Township of Abington  
Comprehensive Status Report - 2009 Real Estate Taxes

I. Dollars Recovered as of 4/30/11<sup>1</sup>

Base Tax <sup>2,5</sup>	Amount Recovered <sup>3</sup>	% Recovered
192,303	146,184	76.02%

II. Summary of File Status

	Number of Files	Base Tax	4/30/11 Base Balance
On Payment Plans	57	26,317	19,662
In Legal Process	84	44,314	40,350
Active Subtotal	141	70,631	60,012
Paid in Full <sup>4</sup>	247	120,844	0
Collectible Files <sup>5</sup>	388	191,475	60,012
In Bankruptcy	5	1,727	1,428
Closed due to Low Value or Low Placement Balance	18	1,065	536
Sale Results Pending	6	2,493	2,493
Total Legally Recoverable Files	417	196,760	64,469
Returned to Client	0	0	0
Extinguished	1	405	0
<b>Total</b>	<b>418</b>	<b>197,165</b>	

<sup>1</sup> Initial Notices Mailed on February 22, 2010

<sup>2</sup> Does not include accounts where the owner has filed for bankruptcy protection, accounts forwarded for collection that were exempt or exonerated, accounts with sale results pending, accounts closed due to low value or accounts that were closed due to an initial balance below \$50.00.

<sup>3</sup> Includes Base, penalty, and interest collected.

<sup>4</sup> Number of Files Paid in Full without Attorney's Fees: 235 (56.22%)

<sup>5</sup> Any difference in the amount placed in Table I and the Collectible Files in Table II represents payments made to accounts in bankruptcy, with low value, with low placement balance or with sale results pending.



PORTNOFF LAW ASSOCIATES, LTD.

Township of Abington  
Comprehensive Status Report - Files Placed in 2010  
Sewer and Trash Fees

**I. Dollars Recovered as of 4/30/11<sup>1</sup>**

Amount Placed <sup>2, 6</sup>	Amount Recovered <sup>3</sup>	% Recovered
105,651	67,650	64.03%

**II. Summary of File Status**

	Number of Files	Amount Placed	4/30/11 Balance <sup>4</sup>
On Payment Plans	22	13,393	11,027
In Legal Process	59	34,235	30,598
<b>Active Subtotal</b>	<b>81</b>	<b>47,628</b>	<b>41,625</b>
Paid in Full <sup>5</sup>	96	57,657	0
<b>Collectible Files<sup>6</sup></b>	<b>177</b>	<b>105,285</b>	<b>41,625</b>
In Bankruptcy	3	1,880	1,880
Closed Due to Low Value or Low Placement Balance	2	497	131
Sale Results Pending	4	3,467	3,467
<b>Total Legally Recoverable Files</b>	<b>186</b>	<b>111,129</b>	<b>47,104</b>
Returned to Client	3	1,413	0
Extinguished	1	357	0
<b>Total</b>	<b>190</b>	<b>112,899</b>	

<sup>1</sup> Initial Notices Mailed on May 19, 2010

<sup>2</sup> Does not include accounts where the owner has filed for bankruptcy protection, accounts forwarded for collection that were exempt or exonerated, accounts with sale results pending, accounts closed due to low value or accounts that were closed due to low placement balance.

<sup>3</sup> Includes interest collected.

<sup>4</sup> Includes outstanding balance for face, penalty, client fees, and client costs of files represented by each status.

<sup>5</sup> Number of Files Paid in Full without Attorney's Fees: 59 (31.05%)

<sup>6</sup> Any difference in the amount placed in Table I and the Collectible Files in Table II represents payments made to accounts in bankruptcy, with low value, with low placement balance or with sale results pending.

# 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

## Memo

**To:** David G. Kraynik, Township Manager  
**From:** Joseph Galdo, Director of Fiscal Affairs  
**Date:** July 7, 2011  
**Re:** Tax Anticipation Notes (TAN's)

Per your request, I am responding to a question by Commissioner Simon that was asked at an earlier Commissioner's Meeting. The question was whether the Township has a continued need to do Tax Anticipation Notes (TANs). In addition, it was asked how we handle this typical "bank qualified item" in a year when we are going out to issue additional bank qualified bonds (Government Obligations; GO Bonds).

TANs come into play since governments do not receive their taxes or other revenues evenly throughout the year. Thus to meet cash and other expenditure needs, we typically utilize this short-term financing solution. Historically, the General Fund, early in the year, has negative month-end balances due to disbursements exceeding revenue collections. These disbursements range from (time sensitive) statutory payments, timely payroll and healthcare payments, and other operating costs. It is my recommendation that this process continue since it provides the Township with the proper financial flexibility.

As for the other component question, there are effectively two types of municipal bonds; *bank qualified* (qualified tax-exempt obligations) and *non-bank qualified* (for banks to purchase these they would require a premium rate which would approach the rate of taxable bonds). The interest rate differential between the two types is generally believed to be around 25-50 basis points.

PNC Capital Markets will need to provide further guidance on years when there will be a GO Bond issuance (like 2013) and the concurrent need to do a TAN. A “qualified small issuer” is an issuer that possibly issues no more than \$10 million of tax-exempt bonds during the calendar year. All prior TANs were qualified therefore there is a potential reduction to the \$10 million cap.

Possible solutions would require PNC Capital Markets input and guidance. Two possible outcomes are the following:

- 1) Utilizing a non-qualified TAN and a qualified GO Bond in the same year. The focus would be on the increased interest rate (maybe 50 basis points more; worst case scenario) on the TAN and the Commissioners’ buy-in to paying a higher interest cost for the year; or
- 2) Since the Township has some major capital sewer project issues (that greatly exceed \$10M), we would issue two qualified series of bonds (one on a non GO Bond issuance year like a 2012 and a GO Bond issuance year like 2013; both years coupled with qualified TANs). The analysis to be undertaken is whether the interest cost savings from the bank qualification offset the added costs of the issuance associated with two bond issues.

**Kraynik, David**

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**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)

**berkheimer**  
tax administrator

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**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  
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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