

A regular meeting of the **FINANCE COMMITTEE** was held tonight, Chairman Morton J. Simon, Jr., presiding. Members present were Commissioners Haywood, McKeown, Sharkey, Hampton, and Swavola. Also present was ex-officio member Portner. Staff members present were Township Manager David G. Kraynik; Director of Fiscal Affairs Joseph Galdo; and Assistant Township Manager Bryan Havir; Public Works Superintendent Mark McDonnell, Public Works Coordinator Michael Fleming; and Director of Engineering, Zoning & Inspections David Lynch. Also in attendance was Finance Officer Stephen Burns. A Public Attendance List is attached.

1. A review took place of the Executive Financial Summary Report for the period ended November 30, 2011 (see attached five-year analysis). Mr. Kraynik commented that the financial indicators are looking good and we are expecting to end the year with revenues exceeding expenditures.

The Committee approved the Executive Financial Summary Report.

2. Upon motion of Mr. McKeown, and approved by the Committee, it was recommended that the Board of Commissioners adopt an Ordinance approving the following transfer within the 2011 Operating Budget (see attached):

<u>Department</u>	<u>From</u>	<u>To</u>
Administration-Miscellaneous	\$12,559,397	\$12,529,397
Administration	\$ 1,525,835	\$ 1,555,835

Mr. Kraynik noted that \$30,000 transfer was needed for various legal bills. The transfer amount is coming out of Unallocated Appropriation (01169) and is being inserted into Legal Fees (01300). It is not anticipated to utilize the entire \$30,000.

3. Upon motion of Mr. McKeown, and approved by the Committee, it was recommended to the Board of Commissioners that the following transfers within the 2011 General Operating Budget be approved by Resolution (see attached):

<u>By Resolution</u>			
<i>From</i>		<i>To</i>	
<u>Administration</u>		<u>Administration</u>	
01-021 Wages Clerks & Asst.	\$ 3,000	01-020 Salaries of Engineers	\$ 3,000
<u>Finance</u>		<u>Finance</u>	
01-111 Other Expenses	\$ 7,700	01-112 Earned Income Tax Collect	\$ 5,900
		01-113 Municipal Services Tax	\$ 1,800
<u>Building & Zoning</u>		<u>Building & Zoning</u>	
01-130 Salaries	\$ 4,200	01-133 CLG Expenses	\$ 4,200
<u>EMS</u>		<u>EMS</u>	
01-135 Salaries	\$ 6,500	01-137 Operating Expenses	\$ 6,500

4. Mr. Kraynik gave a recap of the 2012 Budget Status (see attached memo dated December 13, 2011). With all the items referenced in the memorandum the deficit would be reduced down to \$422,731.

Commissioner Simon after various deliberations stated that he was agreeable to items D1 – D8 referenced in Mr. Kraynik’s memorandum. He requested that items C4 and C5 be tabled until next week’s commissioner meeting. Commissioner Simon was agreeable to utilizing a sewer rent increase to close the remaining budget gap.

Commissioner Haywood stated that he too was okay with Mr. Kraynik’s memorandum specifically items D1 – D8, and that he was agreeable to table items C4 and C5 based on Commissioner Simon’s request to table until the December 22, 2011 meeting. Commissioner Haywood stated that he was agreeable to utilizing a sewer rent increase to close the remaining budget gap.

Commissioner Sharkey stated that he was agreeable to items D1 – D8 and that the Township has some difficult choices to make. The Commissioners do not want to lay off people but that the potential savings of \$400,000 plus per year via automation would assist the Township not only in 2012's budget, but also in future budgets.

Mr. Kraynik commented that the Township needs to seriously consider no longer doing business as usual as it pertains to refuse/recycling collection and that if we do not act on automation at some point, there will be bigger holes in future budgets.

Commissioner Swavola requested public input before the Commissioner's vote. Accordingly, the following residents spoke: Peter LaRue, resident of 323 Beecher Avenue and public works employee stated that it was wrong to lay off nine employees in Public Works and that the Township is already short-staffed. He mentioned that the issue can be handled through natural attrition since the Township can expect 3 current employees to retire in 2012 and 2 current employees in 2013. He commented as to how all the 911 personnel for the Police can be absorbed in the Police department while their jobs are now at the county level.

Susan Meles a resident of 8226 Brookside Road commented that she is an avid recycler and that it will take ten years for the Township to recoup the cost for the new automated trucks.

Joseph Sheerin, resident of 437 West Glenside Avenue and public works employee commented that the Township can not afford to lay off Public Works employees since they are already short-staffed.

John Ciocca, resident of 543 West Glenside Avenue and public works employee commented that all these new automated trucks have high repair costs.

Virginia Longstreet (no address supplied) requested that residents be made aware of

these issues so that they can turn out for the next meeting. Commissioner Simon commented that all the information in question is or will be on the Township's website for residents to view. Commissioner Portner commented that she and other residents should also start attending the school district board meetings.

Peggy Hoffner, a realtor from Franconia and former Cheltenham resident stated that one of the selling points for the Township was its quality Township services. She also noted that the one bad point was the high real estate taxes for the school district.

Commissioner Swavola commented that items C4 and C5 be taken under consideration but that we should vote on the other items detailed in Mr. Kraynik's memorandum. He requested that Mr. Kraynik meet with the union representing the Public Works employees.

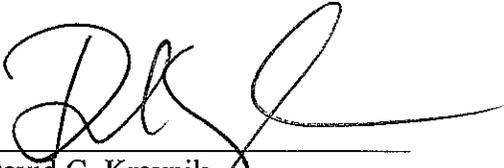
Commissioner Sharkey stated that the Township can not control who or when an employee retires and that this is jeopardizing over \$400,000 in yearly savings. Commissioner Portner commented that although items C4 and C5 may or may not happen in the 2012 budget, the union needs to understand that during the next contract negotiation we need their help in reducing costs for the Township.

Commissioner McKeown commented that he is agreeable to the sewer rent increase and would like for items C4 and C5 be pulled until the next meeting.

Upon motion of Mr. Sharkey, and approved by the Committee, it was recommended that the Board of Commissioners approve items D1 – D8 and all items in C except for C4 and C5 of the December 13, 2011 memorandum and that said items be incorporated in the adoption of the 2012 Operating Budget. (Also attached is a revised memorandum dated December 16, 2011 updating the status of the 2012 budget as per the action of the Finance Committee).

5. No Old Business.
6. No New Business.
7. No comments for Citizen's Forum.

There being no further business, upon motion of Mr. Portner and approved by the Committee, the meeting was adjourned.



David G. Kraynik
Township Manager

Per: Joseph Galdo, Jr.
Director of Fiscal Affairs

PUBLIC ATTENDANCE LIST
Finance Committee @ 7:30 PM
Public Works Committee @ 7:45 PM
Wednesday, December 14, 2011
Curtis Hall
Wyncote, PA 19095

NAME (Please Print)	AFFILIATION/COMPANY AND/OR ADDRESS	EMAIL ADDRESS AND/OR TELEPHONE NUMBER
Peter LaRue	Township employee & Resident 323 Beecher Ave	peterlarue@msn.com 215-663-2887
Joe Sheerin	Township Employee & Resident 437 W Glenside Ave	215-279-0691
A. J. MITCHELL	RESIDENT	215-635-0221
LISA ERKERT	Chelt Fire Co.	lerkert@gmail.com 215-892-5578
Barbara Kalgoin	608 Central Ave. Library	
Dot Suffer	CTLS	215-885-0457
Deb Forman	Resident	tziporah@comcast.net
Susan Meles	8224 Brookside Road	
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
John Cicca	543 W Glenside	215 8878083
Tom McHugh	127 Hewett Rd. Wyncote	
John DUNPHY	305 MAPLE AVE Wyncote	JPDunphy@Comcast.net

NAME (Please Print)	AFFILIATION / COMPANY AND/OR ADDRESS	E-MAIL ADDRESS AND/OR TELEPHONE NUMBER
TED CENCZI	300 maple Ave Wyncote, Pa	
CHRIS DRACH	CHEST. FIRE CO.	
Ed Warnick	443 Greenwood Av	
Moira Rooney	207 Bickley Rd	
Suzanne Ryan	PECO	
Bill Romas	PECO	
David Schmitz	15 Nancy Rd Wyncote	
Monica Luzzini	305 maple	Wyncote

FIVE YEAR ANALYSIS - AS OF NOVEMBER 2011

	2011	2010	2009	2008	2007
Expenses	91%	89%	86%	89%	89%
Revenues	94%	91%	93%	97%	94%
EIT	89%	86%	79%	74%	81%
Group Health Ins.	92%	97%	79%	91%	89%
Real Estate	97%	97%	98%	97%	97%

ORDINANCE NO. _____ - 11

AN ORDINANCE AMENDING ORDINANCE NO. 2227-11 ENACTED NOVEMBER 16, 2011 AND 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
Administration Miscellaneous	\$ 12,559,397	\$ 12,529,397
Administration	\$ 1,525,835	\$ 1,555,835

ENACTED into an Ordinance this 22nd day of December, 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



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

MEMORANDUM

DATE: December 13, 2011
TO: Finance Committee
FROM: David G. Kraynik, Township Manager
SUBJECT: 2012 Budget Status Report

- A. November 16, 2011 Preliminary Budget
Deficit reduced from \$2,131,956 to \$1,729,499.
- B. December 1, 2011
Deficit increased from \$1,729,499 to \$1,800,479.
- | | |
|--|-------------|
| 1. Reduced tax revenue due to assessed valuation reduction | \$100,380 |
| 2. Increased Earned Income Tax revenue | (\$ 11,900) |
| 3. Increased lien collection revenue | (\$ 17,500) |
- C. December 7, 2011
Deficit decreased from \$1,800,479 to \$800,864.
- | | |
|--|-------------|
| 1. Decreased refuse disposal costs due to co-mingled recycling | (\$ 13,000) |
| 2. Increased recycling revenue due to co-mingled recycling | (\$ 12,000) |
| 3. Eliminate two (2) vacant Public Works laborer positions | (\$117,006) |
| 4. Eliminate spare Public Works refuse/recycling crew – two (2) laborers | (\$117,006) |
| 5. Implement automated refuse/recycling collection (4-months) | (\$152,931) |
| 6. Increase use of unappropriated fund balance | (\$600,000) |

Memo to Finance Committee
December 14, 2011
Page Two

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|--|----------|
| 7. Restore Saturday hours at Waverly Road leaf site | \$ 6,164 |
| 8. Restore Saturday hours at the Public Service Facility | \$ 6,164 |

D. December 14, 2011 (proposed)

Deficit decreased from \$800,864 to \$422,731

- | | |
|--|--------------|
| 1. Increase Abington sewer treatment revenue | (\$ 47,078) |
| 2. Increase Jenkintown sewer treatment revenue | (\$ 20,997) |
| 3. Reduce gasoline costs – all departments | (\$ 39,315) |
| 4. Eliminate two (2) vacant police officer positions | (\$ 156,588) |
| 5. Eliminate all merit pay – all departments | (\$ 50,420) |
| 6. Increase DVIT/DWCT dividend refund | (\$ 3,735) |
| 7. Increase Verizon Franchise Fee revenue | (\$ 20,000) |
| 8. Decrease DVIT payment | (\$ 40,000) |

DGK:amf

cc: Joseph Galdo, Director of Fiscal Affairs

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



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

MEMORANDUM

DATE: December 16, 2011
TO: Finance Committee
FROM: David G. Kraynik, Township Manager
SUBJECT: 2012 Budget Status Report #2

- A. November 16, 2011 Preliminary Budget
Deficit reduced from \$2,131,956 to \$1,729,499.
- B. December 1, 2011
Deficit increased from \$1,729,499 to \$1,800,479.
- | | |
|--|-------------|
| 1. Reduced tax revenue due to assessed valuation reduction | \$100,380 |
| 2. Increased Earned Income Tax revenue | (\$ 11,900) |
| 3. Increased lien collection revenue | (\$ 17,500) |
- C. December 7, 2011
Deficit decreased from \$1,800,479 to \$800,864.
- | | |
|--|-------------|
| 1. Decreased refuse disposal costs due to co-mingled recycling | (\$ 13,000) |
| 2. Increased recycling revenue due to co-mingled recycling | (\$ 12,000) |
| 3. Eliminate two (2) vacant Public Works laborer positions | (\$117,006) |
| 4. Eliminate spare Public Works refuse/recycling crew – two (2) laborers | (\$117,006) |
| 5. Implement automated refuse/recycling collection (4-months) | (\$152,931) |
| 6. Increase use of unappropriated fund balance | (\$600,000) |

Memo to Finance Committee
December 16, 2011
Page Two

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|--|----------|
| 7. Restore Saturday hours at Waverly Road leaf site | \$ 6,164 |
| 8. Restore Saturday hours at the Public Service Facility | \$ 6,164 |

D. December 14, 2011 (approved)

Deficit decreased from \$800,864 to \$692,668

- | | |
|---|--------------|
| 1. Increase Abington sewer treatment revenue | (\$ 47,078) |
| 2. Increase Jenkintown sewer treatment revenue | (\$ 20,997) |
| 3. Reduce gasoline costs – all departments | (\$ 39,315) |
| 4. Eliminate two (2) vacant police officer positions | (\$ 156,588) |
| 5. Eliminate all merit pay – all departments | (\$ 50,420) |
| 6. Increase DVIT/DWCT dividend refund | (\$ 3,735) |
| 7. Increase Verizon Franchise Fee revenue | (\$ 20,000) |
| 8. Decrease DVIT payment | (\$ 40,000) |
| 9. TABLE: Eliminate spare Public Works refuse/recycling crew – two (2) laborers | \$ 117,006 |
| 10. TABLE: Implement automated refuse/recycling collection (4-months) | \$ 152,931 |

DGK:amf

cc: Joseph Galdo, Director of Fiscal Affairs