

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

1. Upon motion of Mr. McKeown, and approved by the majority of the Committee (Ms. Hampton and Mr. Norris voting nay), it was recommended to the Board of Commissioners that the request for waiver of the late fee on Township taxes for the property located at 1112 Orleans Road, Cheltenham, Pennsylvania be denied.

Mr. Burns discussed the tax collection process. Mr. McKeown commented that the owner of the parcel has paid in the past so he should have known that real estate tax payments are a yearly process.

2. The Committee reviewed the 2011 Fund Balance as determined by the Township's independent auditors Maillie, Falconiero & Company as follows:

FUND BALANCE

Balance from Period 1/1/2011 – 12/31/2011	\$ 459,908
Previous Cumulative Fund Balance 1/1/2011	\$ 4,138,705 *
Total Fund Balance as of 12/31/2011	\$ 4,598,613
Amount Budgeted for 2012	\$ 1,700,000
Uncommitted Fund Balance 1/1/2012	\$ 2,898,613

\* carryover from the 2010 audit

Mr. Sharkey thanked Mr. Kraynik, Mr. Galdo and all departments for their diligent work in a difficult budget year.

3. A review of the Executive Financial Summary Report for the period ended February 29, 2012 was approved by the Committee.

4. The Committee reviewed memorandums on the Operating and Capital Budgets prepared by Mr. Galdo and Mr. Kraynik respectively. Mr. Kraynik noted that said memorandums were requested by Mr. Haywood. Mr. Norris thanked the writers of the reports and commented that the memorandums will be useful in the upcoming budget year. Mr. Simon questioned the 10% assumption factor used for the Philadelphia Sewer Treatment costs. Mr. Galdo asserted that actual costs for sewer treatment over the past two years have gone up around 8.5% – 9% yearly and that the volume has increased, thus a 10% assumption factor. Mr. Kraynik referenced that the 4<sup>th</sup> quarter sewer treatment costs came in with more volume due to all the storms late last year and a resulting high water table level. Accordingly, the bills received this year thus far (for the last quarter of 2011) were greater than expected but it is hoped that costs will be reduced assuming future drier weather.

5. Upon the motion of Mr. McKeown, and approved by the Committee, it was recommended to the Board of Commissioners that a Resolution be adopted supporting proposed legislation to amend the Pennsylvania Municipal Claims and Tax Liens Law, giving municipalities the choice on how to collect delinquent real estate taxes (see attached).

Mr. Kraynik was asked to send a letter to the County Treasurer asking that past practice of the County not collecting a 5% commission fee continue. Mr. Simon commented that he was agreeable with the resolution since the Committee voted (in late 2011) to enter into a contract with Portnoff and Associates based off of their active collection processes and not the

County's passive collection measures. Mr. Kraynik asked Mr. Galdo to comment on the 2011 real estate tax receivable and the financial exposure if the county collects on the commission fee. Mr. Galdo stated the receivable was approximately \$356,000 and thus the exposure would be approximately \$17,800.

6. No Old Business.

7. Mr. Portner commented about a New Business issue. He stated that it has come to his attention that the School District has chosen to move its administrative offices outside the Township. He questions why the school district administration would move to Abington Township while there are plenty of buildings inside the Cheltenham Township limits that could be utilized for temporary quarters. Mr. McKeown questioned this as well and requested that a letter be sent to the School District. Commissioner Hampton commented that she is on the Liaison Committee with the school district and that this issue was never mentioned in a recent meeting and she is totally caught off guard by this decision.

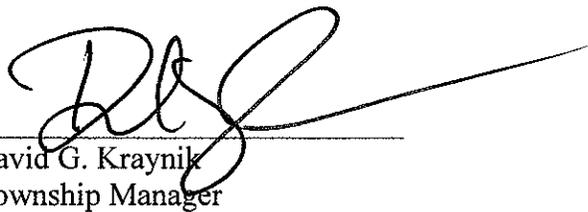
Mr. Sharkey commented that a telephone courtesy call should have been made by the school district to the Township. He feels that Mr. Kraynik should be authorized to call the district superintendent to find out the facts behind this decision. Mr. Kraynik responded that he would do so and will inform the board of the discussion. Mr. Burns inquired if Mr. Kraynik could find out in these discussions what would be the financial impact to the Township with regard to the Earned Income Tax and the Local Service Tax. Messrs. Portner and McKeown withdrew the request for a letter.

8. Citizen's Forum - David Dobson of 425 Greenwood Avenue inquired if the Township could be more proactive with regard to economic development and the reduction of real estate taxes. He commented that he has a yearly \$25,000 real estate tax bill and would like

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to stay in the community. Mr. Kraynik reviewed the Township's ongoing Commercial Districts Enhancement Plan efforts, the work of the Economic Development Task Force and pending land development proposals in the Township. Mr. McKeown commented that he is always talking up business opportunities inside the Township and recently was successful in recruiting a Philadelphia company to relocate here.

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



David G. Kraynik  
Township Manager

Per: Joseph L. Galdo, Jr.  
Director of Fiscal Affairs

**PUBLIC ATTENDANCE LIST**  
**Finance Committee @ 7:30 PM**  
**Public Works Committee @ 7:45 PM**  
**Wednesday, March 14, 2012**  
**Curtis Hall**  
**Wyncote, PA 19095**

NAME (Please Print)	AFFILIATION/COMPANY AND/OR ADDRESS	EMAIL ADDRESS AND/OR TELEPHONE NUMBER
Mike Sehl	Texas Eastern	MUSEHL@ Spectra Energy -com
Tom McHugh	127 Hewett Rd wyncote	
Kelly Dbeck	8112 Brookside Road	
David Dobson	425 Greenwood Ave 19095	
Deb Forman	846 Widenor Rd Ellenstown, PA	
David Schultz	13 Waverly Rd	

**CHELTENHAM TOWNSHIP**

**RESOLUTION No. 2012-**

**A RESOLUTION OF SUPPORT FOR HOUSE BILL 1877 AND SENATE BILLS 1207 AND 1208, AMENDING THE MUNICIPAL CLAIMS AND TAX LIENS LAW GIVING MUNICIPAL GOVERNMENTS THE ABILITY TO CHOOSE HOW DELINQUENT REAL ESTATE TAXES ARE COLLECTED.**

**WHEREAS**, to be fair to all Cheltenham Township taxpayers, it is necessary for Cheltenham Township to pursue the collection of delinquent real estate taxes; and

**WHEREAS**, Cheltenham Township has determined that it should have the ability and the opportunity to choose how to collect its delinquent real estate taxes and that it be able to utilize the Municipal Claims and Tax Liens Act, 53 P.S. §7101 et. Seq., to pursue such tax claims; and

**WHEREAS**, Cheltenham Township does not wish to be forced to collect delinquent taxes under the Real Estate Tax Sale Law and pay a 5% commission for the collection of unpaid taxes; and

**WHEREAS**, there is important legislation before the Pennsylvania House of Representatives, House Bill 1877, and before the Pennsylvania State Senate, Senate Bills 1207 and 1208, that would allow Cheltenham Township and other cities, townships, boroughs and school districts the ability to choose how their delinquent real estate taxes are collected;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF CHELTENHAM TOWNSHIP THAT IT SUPPORTS HOUSE BILL 1877 AND SENATE BILLS 1207 AND 1208, AND URGES THAT THE PENNSYLVANIA GENERAL ASSEMBLY QUICKLY CONSIDER AND APPROVE THE LEGISLATION AND THAT A COPY OF THIS RESOLUTION BE TRANSMITTED TO THE TOWNSHIP'S ELECTED REPRESENTATIVES IN THE PENNSYLVANIA GENERAL ASSEMBLY.**

DULY RESOLVED THIS 21<sup>ST</sup> DAY OF MARCH, 2012 BY THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF CHELTENHAM.

**TOWNSHIP OF CHELTENHAM**

By: \_\_\_\_\_  
Art Haywood, President  
Board of Commissioners

Attest:

\_\_\_\_\_  
David G. Kraynik  
Township Manager