

December 12, 2012  
Curtis Hall

A regular meeting of the **FINANCE COMMITTEE** was held tonight, Chairman Daniel Norris presiding. Members present were Commissioners Simon, Hampton, Haywood, McKeown, Sharkey and Portner.

Staff present were Accounting Supervisor Bruce Rangnow and Acting Township Manager Bryan Havir.

Also present was Finance Officer Stephen Burns. A Public Attendance List is attached.

Mr. Norris called the meeting to order at 7:30 p.m. and reported that the Commissioners held an Executive Session prior to the meeting to discuss personnel matters.

1. A review of the Executive Financial Summary Report for the period ended November 30, 2012 was reviewed and approved by the Committee.

2. **Recommendation to the Board of Commissioners:** Upon motion of Mr. Norris, the Committee unanimously recommended to the Board of Commissioners the adoption of a Resolution approving transfers within the 2012 General Operating Budget as follows:

**By Resolution**

**From**  
**Administration**

01-002 Manager Salary \$ 10,000  
01-005 Office Supplies & Postage \$ 12,000

**Fire**

01-123 Gas & Oil \$ 3,500

**EMS**

01-136 Office Supplies \$ 500  
01-137 Operating Expenses \$ 3,000  
01-139 Emergency Management \$ 6,000  
\$ 9,500

**Administration-Miscellaneous**

01-163 Group Health Insurance \$ 12,699  
01-167 Social Security \$ 7,500  
\$ 20,199

**To**  
**Administration**

01-004 Wages, Clerks & Assistants \$ 10,000  
01-012 Telephone 2,000  
01-016 Other Expenses 10,000  
\$ 12,000

**Fire**

01-127 Other Expenses \$ 3,500

**EMS**

01-135 Salaries \$ 9,500

**Administration-Miscellaneous**

01-160 Fire & General Insurance \$ 5,200  
01-171 Sinking Fund \$ 14,999  
\$ 20,199

3. **Recommendation to the Board of Commissioners:** Upon motion of Mr. Norris, the Committee unanimously recommended to the Board of Commissioners the adoption of an Ordinance approving transfers within the 2012 Operating Budget be approved by Ordinance (see attached).

4. **Recommendation to the Board of Commissioners:** Upon motion of Mr. Norris, the Committee unanimously recommended to the Board of Commissioners the adoption of a Resolution increasing and adding certain fees, effective January 1, 2013 (see attached).

5. Mr. Havir presented an update on the 2013 Operating and Capital Budgets. He reviewed the following, and extensive discussion ensued:

- Progress made in reducing the previously disclosed budget gap of \$2,358,000 between expenses and revenues.
- Staff's recommendations increasing certain revenue areas of the budget while reducing down some expenditures. Said fees would decrease the deficit to \$675,713.
- He proposed an increase in the sewer base rate by approximately 10% and the excess water fee by 8%. Discussion ensued about how many parcels were charged an excess water fee. The number was unavailable at the meeting and would be verified later.

Mr. Sharkey suggested considering eliminating a portion of the Operating Budget gap by transferring \$200,000 of the Street Light budget and shift into the State Liquid Fuels budget, with the netted effect that the Operating Budget deficit would be reduced by \$200,000. The road overlay work might be considered to be taken out of the Capital Budget. He indicated that this approach has been successfully used by other municipalities.

The Committee unanimously directed that Staff review the feasibility of implementing such a plan and report back to the Committee at the next meeting.

It was Mr. Haywood's opinion that the budget needed to be adopted at the December 19, 2012 Commissioners meeting, and there was insufficient time to act on Mr. Sharkey's suggestion. Mr. Haywood suggested that the Commissioners adopt the budget shortfall measures as presented this evening.

Mr. Simon expressed concern about the Township's funding to the libraries that did not change from the 2012 allocation. He proposed a minimum of a one percent (1%) increase in funding for the libraries in 2013. The resulting increased budget cost would be approximately \$15,000. The Committee suggested that Staff re-evaluate this matter.

Mr. Sharkey suggested reducing down the Township's utility payments to the Cheltenham Art Center. Ms. Hampton was opposed to this suggestion. Mr. Norris proposed that this matter be addressed at a future meeting.

Mr. Simon was pleased with the continuing trend exhibited in increased EIT income earned the past few years.

**Recommendation to the Board of Commissioners:** Upon motion of Mr. Haywood, the Committee unanimously recommended to the Board of Commissioners the adoption of an Ordinance approving the 2013 Operating Budget with modifications made by the Acting Township Manager as set forth in his memorandum dated December 7, 2012 and by raising sewer rates to generate \$675,713.

**Public Comment**

David Schultz requested the Township give consideration to reducing down the Construction Occupancy Fee charged to contractors who are US – EPA certified compliance when constructing new buildings in the Township that who use energy efficient LED's. Township Staff was asked to look into this consideration.

David Cohen supported the Committee's decision to make up the remaining budget shortfall by increasing the sewer rate fees as that equally affects both Township businesses and residents.

**Recommendation to the Board of Commissioners:** Upon motion of Mr. Haywood, the Committee unanimously recommended to the Board of Commissioners the adoption of an Ordinance approving the 2013 Capital Budget.

Mr. Haywood suggested that Mr. Havir evaluate Mr. Sharkey's suggestion to consider eliminating a portion of the Operating Budget deficit by reducing down \$200,000 of the 2013 Street Light budget and transferring that cost to the State Liquid Fuels budget, with the netted effect that the Operating Budget deficit would be reduced by \$200,000.

Mr. Hayood suggested that Mr. Havir review the possibility of lowering the percentage of the sewer rent base rate.

6. Maillie, Falconiero & Company auditors Laurie Harvey and Ed Furman reviewed the 2011 Annual Financial Report. Ms. Harvey explained the yearly steps and methods undertaken during their audit work in preparation for their Audit Report and Independent Auditors' letter of unqualified audit opinions. She reported that the 2011 Audit Report produced a finding of no material operational weaknesses.

Ed Furman reviewed the actual 2011 Audit Report results. He highlighted several areas of future financial concern, i.e. the Township's contributions needed in the near future to satisfy the required payments of the unfunded OPEB obligation will be unsustainable at the current rate of increasing plan costs. The medical accrued liability for retired employee's went up from \$12,000,000 to \$16,000,000 in 2011. This could negatively impact the Townships' net worth position going forward if not addressed.

7. Peter Nissen, of Acacia Financial Group, Inc. provided a 2012 post bond sale report to the Committee. The Township was assigned a bond rating of Aa2 on the sale of the General Obligation Bond Series 2012.

Mr. Norris asked Mr. Nissen for clarification on the need for the Township to be paying for all of the delivery costs associated with the bond issuance and underwriter's discount. Mr. Nissen's responded that all such costs are necessary and are part of the standard bond underwriting process.

8. Peter Nissen discussed the 2013 Tax Anticipation Note ("TAN"). He recommended that underwrite the TAN as a non-bank qualified Note and Bond issuance. Underwriting the TAN as a non-bank issuance provides more flexibility to the Township by enabling it to underwrite a new Government Obligation Bond in 2013 as qualified funding. Mr. Nissen also outlined what options are available to the Commissioners for their consideration in making an early TAN payback.

9. Upon motion of Mr. Norris, the Committee unanimously agreed to withdraw discussion of the Finance Officer's Compensation for the years 2014-2017 at the recommendation of the Township Solicitor.

10. Under New Business:

a. Mr. Havir asked for the Board's consent for the termination of Joseph L. Galdo, Jr. as Fiscal Affairs Director, in accordance with Article VII, Section 702(b) of the Home Rule Charter.

b. **Recommendation to the Board of Commissioners:** Upon motion of Mr. Norris, the Committee unanimously recommended to the Board of Commissioners, the termination of Joseph L. Galdo as Director of Fiscal Affairs, as requested by the Acting Township Manager.

c. Mr. Havir asked for the Board's consent for the appointment of Bruce Rangnow as Acting Director of Fiscal Affairs, in accordance with Article VII, Section 702(b) of the Home Rule Charter.

d. **Recommendation to the Board of Commissioners:** Upon motion of Mr. Norris, the Committee unanimously recommended to the Board of Commissioners, the appointment of Bruce Rangnow to the position of Acting Director of Fiscal Affairs.

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



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Bryan T. Havir  
Acting Township Manager

Per: Bruce A. Rangnow  
Accounting Supervisor

**ORDINANCE NO. \_\_\_\_\_ - 12**

**AN ORDINANCE AMENDING ORDINANCE NO. 2230-11 ENACTED DECEMBER 22, 2011 AUTHORIZING THE ADOPTION OF THE 2012 OPERATING BUDGET, AND HEREBY AUTHORIZING TRANSFERS OF FUNDS IN SPECIFIC COST CENTERS WITHIN THAT BUDGET IN ORDER TO REAPPROPRIATE MONIES 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. 2230-11 enacted December 22, 2011 setting forth amounts appropriated for expenses for various departments, is hereby amended and modified as follows:

<u>DEPARTMENTS</u>	<u>COST CENTER</u>	<u>FROM</u>	<u>TO</u>	<u>TOTAL AMOUNT TRANSFERRED</u>
<b>FROM:</b> Parks & Recreation	30/31/32/33/35	\$1,810,096	\$1,803,441	(\$6,665)
<b>TO:</b> Finance Officer	50	\$ 103,037	\$ 109,692	\$6,665

ENACTED into an **Ordinance** this **19th** day of **December, A.D., 2012.**

**TOWNSHIP OF CHELTENHAM  
BOARD OF COMMISSIONERS**

**BY:** \_\_\_\_\_  
Art Haywood, President

**ATTEST:**

\_\_\_\_\_  
Bryan T. Havir, Acting Township Manager  
and Secretary

**TOWNSHIP OF CHELTENHAM**

**RESOLUTION NO. \_\_\_\_-12**

**RESOLUTION INCREASING CERTAIN FEES  
AND ADDING NEW FEES**

**WHEREAS**, the Board of Commissioners of the Township of Cheltenham has determined, upon the recommendation of the Township Administration, that the revenue received from certain fees is insufficient to cover the reasonable and necessary expenses generally incurred by the Township; and

**WHEREAS**, certain Township departmental requests do not have a fee charge; and

**WHEREAS**, the Township of Cheltenham has the right to set fees pursuant to Chapter A300 of the Cheltenham Code; and

**WHEREAS**, the Board of Commissioners of the Township of Cheltenham must address a potential deficit in the Township budget for 2013 resulting from decreases in real estate tax revenues and the general economic climate; and

**WHEREAS**, the existing fees and lack of fees for certain services are no longer economically viable for the Township.

**NOW, THEREFORE, BE IT RESOLVED**, 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 and add the following fees effective January 1, 2013:

<u>PROPOSED INCREASE IN EXISTING FEES:</u>	<u>FROM</u>	<u>TO</u>
Police Department	\$ 15	\$ 25
- Finger Printing		
Parks & Recreation Department	\$275	\$350
- Playground Registration	\$210	\$225
- Pools – Family Membership Fee		
Building and Zoning Department	\$ 30	\$ 60
- Zoning Use and Occupancy Certificate (Residential)	\$ 30	\$120
- Zoning Use and Occupancy Certificate (Commercial)	\$ 75	\$150
- Fine Penalty (Residential)	\$ 75	\$250
- Fine Penalty (Commercial)		
<u>PROPOSED NEW FEES:</u>		
Building and Zoning Department	-0-	\$200
- Grading Permit Fee (Residential)	-0-	\$400
- Grading Permit Fee (Commercial)	-0-	\$ 50
- Zoning Compliance Letter (Residential)	-0-	\$100
- Zoning Compliance Letter (Commercial)		

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Board of Commissioners of the Township of Cheltenham, County of Montgomery, Commonwealth of Pennsylvania, at its meeting held at Curtis Hall, 1250 W. Church Road, Wyncote Pennsylvania 19095 on this **19<sup>th</sup> day of December, 2012.**

ATTEST:

TOWNSHIP OF CHELTENHAM  
BOARD OF COMMISSIONERS

\_\_\_\_\_  
Bryan T. Havir  
Acting Township Manager  
and Secretary

By: \_\_\_\_\_  
Art Haywood, President

**PUBLIC ATTENDANCE LIST**  
**Finance Committee @ 7:30 PM**  
**Public Works Committee @ 7:45 PM**  
**Wednesday, December 12, 2012**  
**Curtis Hall**  
**Wyncote, PA 19095**

NAME (Please Print)	AFFILIATION/COMPANY AND/OR ADDRESS	EMAIL ADDRESS AND/OR TELEPHONE NUMBER
DAVID L. GORDON	321 GERMANTOWN Ave. C.P.	
Peter Nissen	Acacia Fin.	
GORDON TOWNSEND	313 MAPLE AVE	
David McVeigh- Schultz	15 Waverly Road	
Debt Steve McCart	211 W. Waverly Rd	
Alicia Agogha	304 Bent Rd	
S. Strahs	CC	