

March 13, 2013
Curtis Hall

A regular meeting of the **FINANCE COMMITTEE** was held tonight, Chairman Daniel Norris presiding. Members present were Commissioners Hampton, Sharkey and Simon. Also present was Ex-Officio Member Haywood.

Staff members present were Township Manager Bryan Havir, Acting Director of Fiscal Affairs Bruce Rangnow; and Public Works Coordinator Michael Fleming. Also in attendance was Finance Officer Stephen Burns. A Public Attendance List is attached.

1. The Committee reviewed the 2012 Fund Balance as determined by the Township's independent auditors Maillie, Falconiero & Company as follows:

FUND BALANCE

Balance from Period 1/1/2012 – 12/31/2012	\$ 139,668 *
Previous Cumulative Fund Balance 1/1/2012	4,595,613 **
Total Fund Balance as of 12/31/2012	4,735,281
Amount Budgeted for 2013	1,700,000
Uncommitted Fund Balance 1/1/2013	\$ 3,035,281
* Estimated Audit Balance	
** Carryover from the 2011 Audit	

Laurie Harvey, Auditor from Maillie Falconiero & Company, indicated that the final 2012 audit has not yet been completed and that a more detailed review of the final 2012 audit will be presented by the auditors to the Finance Committee at its meeting on July 10, 2013.

Mr. Norris asked the auditors to define what they believe is the appropriate fund balance for the Township to maintain. Ms. Harvey indicated that the general rule of thumb is for a municipality to have three to four months worth of its normal operating expenses covered by the existing fund balance. For Cheltenham, that amount would range between \$9 and \$12 million. Mr. Simon wanted to be assured that the Township's fund balance is adequate to protect our municipal bond rating. In addressing the Committee member's questions, Ms. Harvey indicated that her firm would collect fund balance data from other local municipalities and present those findings to the Committee at the next finance meeting.

2. Upon motion of Mr. Norris, the Committee unanimously accepted the Executive Financial Summary Report for the period ended February 28, 2013 and the Five Year Analysis.

3. Peter Nissen, Managing Director of Acacia Financial Group, Inc. discussed bond refunding opportunities with the Committee. He distributed information identified the existing bonds for refunding that he believed would permit the Township to derive significant savings in calendar year 2013, which involved possible refunding of the 2004B, 2005, 2009 and 2011 Bond Series. He reviewed the savings for all possible scenarios. Mr. Nissen indicated that his outline was developed to help the Committee understand what bond refunding opportunities exist. He

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advised that the Committee or Board of Commissioners should consider adopting a Resolution before the drop dead date of July 1, 2013 expires for either proposal.

4. **Recommendation to the Board of Commissioners:** Upon the motion of Mr. Norris, the Committee unanimously recommended to the Board of Commissioners that Acacia Financial Group, Inc. commence the necessary action to undertake a bond refunding for either the proposed plan including or not including the 2011 bonds, following the guidelines of past practice.

5. The Committee discussed having the Township Solicitor review the bond refunding plan. Mr. Sharkey also suggested that the Township Manager solicit a Request for Proposal ("RFP") to secure a Bond Counsel.

6. Upon the motion of Mr. Norris, the Committee unanimously recommended to the Board of Commissioners that Township Staff be authorized to prepare a Request for Proposal ("RFP") for securing a Bond Council to manage all of the underwriting processes of the Bond Refunding Plan.

7. Mr. Nissen discussed the Township's options relative to securing future funding for a possible new general obligation bond offering in either 2013 or 2014.

The Committee unanimously directed Mr. Nissen to work with Staff to review the Township's Capital Budget needs and provide to the Committee information providing an estimate of the Township's current and future capital project funding for the years 2013 and 2014.

8. The Committee continued its discussion on investments in the Township's Pension Plans that relate to companies manufacturing or selling assault weapons and ammunition or high capacity clip makers.

Mr. Haywood motioned that the Township consider adopting a policy in the future that would prevent the Township from investing pension monies into any fund or equity investment that includes any company that manufactures assault weapons and/or high capacity ammunition clips.

Public Comment:

Tom McHugh discussed the Sandy Hook Principles and suggested allowing for pension investments in companies that manufacture assault weapons or high capacity ammunition clips as long as these items were being sold strictly to the armed forces and/or police services throughout the country.

After further discussion, Mr. Haywood amended his motion.

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Upon motion of Mr. Haywood, the Committee unanimously directed that Staff develop a policy prohibiting financial holdings or investments in any company that manufactures assault and military style weapons and high capacity ammunition clips of more than 10 rounds for sale to individuals, including Alliant Techsystems, Smith and Wesson, and Sturm, Ruger & Co., except companies that manufacturer and supply guns and ammunitions solely for the military. Said policy will be presented at a future Committee meeting for consideration.

9. New Business:

a. Ms. Hampton asked for a status update on the approval of a grant to fund the required capital improvements for the Township intersection at Rices Mill Road and Glenside Avenue.

Mr. Havir responded that the Township's recent Automated Red Light Enforcement grant for this project had been denied. The grant program was highly competitive, and funds were limited. The next state funding application for this grant program will be due in July 2013. Ms. Hampton asked about having the Township directly fund this project. Mr. Havir indicated that the Township had set aside approximately \$56,700 in the 2013 Capital Budget to pay for the upfront costs with the intent of the state grant reimbursing the Township. It could be possible for the Township to consider funding this project using those resources. Ms. Hampton's request will be taken under advisement at the Public Works on May 8, 2013.

b. Mr. Norris suggested that since two (2) of the Township's collective bargaining groups are slated for contract negotiations this year, that Staff obtain an assessment on the current health care costs and reach out to the Delaware Valley Insurance Trust ("DVIT") requesting their recommendation and options for keeping health costs under control. The Committee unanimously agreed.

c. Mr. Norris also suggested that Staff review the benefits/costs to the Township to converting to an automated refuse collection program similar to the new automated recycling program and to solicit bids for privatizing these services. The Committee unanimously agreed.

d. The Committee directed Staff to assess the costs associated with employees using their personal vehicles to conduct Township business as well as the costs are with all Township-owned cars/vehicles.

e. Mr. Simon noted the upward trending in the collection of EIT income as reflected in the February Five-Year Analysis report.

Mr. Burns responded that the reason behind the higher percentage of EIT income received year to date was not due to receiving more EIT income but in the timing of when the 2012 Period 13 was closed out. It is the timelines of when Period 13 is closed out which defines where the first two months worth of EIT income is posted each year (either to the immediate prior year or the current year).

10. Under Citizens' Forum:

Tom Bale distributed information regarding a request for the Township to consider the divesting of all pension investments in any companies that derive their income from the fossil fuel industry. It was his opinion that this is the main contributor to global warming, which has an affect on climate change.

Mr. Norris responded that the Township would consider this.

There being no further business, upon motion of Mr. Norris, the Committee unanimously agreed to adjourn the meeting.



Bryan T. Havar
Township Manager

PUBLIC ATTENDANCE LIST
Public Works Committee @ 7:45 PM
Wednesday, March 13, 2013
Curtis Hall
Wyncote, PA 19095

NAME (Please Print)	AFFILIATION/COMPANY AND/OR ADDRESS	E-MAIL ADDRESS AND/OR TELEPHONE NUMBER
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NAME (Please Print)	AFFILIATION/COMPANY AND/OR ADDRESS	EMAIL ADDRESS AND/OR TELEPHONE NUMBER
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