

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

Staff members present were Township Manager Bryan Havir and Acting Director of Fiscal Affairs Bruce Rangnow. Also in attendance was Finance Officer Stephen Burns, Pete Nissan of Acacia Financial Group, Inc. and Michael Broadbent of Acacia Financial Group, Inc. A Public Attendance List is attached.

Mr. Norris called the meeting to order at 11 p.m.

1. Upon motion of Mr. Norris, the Committee unanimously accepted the Executive Financial Summary Report and the Five-Year Analysis for the period ended October 31, 2013.

2. Pete Nissen provided a status report on the proposed 2014 Tax Anticipation Note ("TAN"). It was his opinion that the Township should consider borrowing \$2,800,000 for a term of three (3) months in 2014.

In response to questions from the Committee, Mr. Havir and Mr. Rangnow concurred and believed that the Township was able to repay the TAN within the designated three (3) month timeframe.

Mr. Pete Nissen recommended that the Township underwrite the required 2014 TAN as a non-bank qualified borrowing since the Township's interest rate on a three (3) month borrowing would be identical for either a bank qualified or non-bank qualified borrowing. The three (3) month borrowing interest rates currently being quoted indicate that the Township's TAN borrowing cost for 2014 will be between 50 & 60 basis points.

Mr. Nissen also pointed out that by underwriting the 2014 TAN as a non-bank qualified borrowing the Township would be provided with the ability to underwrite tax exempt governmental obligation bond borrowings in excess of \$7.2 million in 2014, whereas borrowing the \$2.8 million TAN as a bank qualified borrowing would restrict the Township to a tax exempt governmental obligation bond funding ceiling of \$7.2 million in 2014.

Mr. Simon questioned whether or not it might not be more prudent for the Township to borrow the funds for a term of six (6) months with an ability to pay off the TAN after three (3) months. Mr. Nissen responded that it would make the assigned interest rate of the TAN more costly and that on such a short term note the underwriters would not be willing to provide an option for the Township to pay off the note at the end of three (3) months, thereby making the note and associated interest costs binding to a minimum term of six (6) months.

Mr. Nissen stated that his company would complete the notifications and paperwork necessary for the TAN transaction, and they would be ready Monday, December 16, 2013, and could be approved by the Board of Commissioners at their Wednesday, December 18, 2013 Meeting.

3. **Recommendation to the Board of Commissioners:** Upon motion of Mr. Norris, the Committee unanimously recommended to the Board of Commissioners approval to assume a 2014 Tax Anticipation Note in the amount of \$2,800,000 to be underwritten for a period of three (3) months, and for this transaction to be managed by Arcacia Financial Group, Inc., as presented this evening.

4. Due to the lateness of the hour, the Committee unanimously agreed not to take action on the adoption of the Proposed 2014 Operating and Capital Budgets until the Board of Commissioners' meeting on November 20, 2013.

Public Comment:

Commissioner-elect Ann Rappaport asked for a direct link on the Township website to view the Proposed 2014 Operating and Capital Budgets. Mr. Havir responded that there are several links on the website to the Budget, and copies were attached to the agenda for this evening's meeting. However, he said that a more visible link would be placed on the homepage.

Mr. Havir advised there is a binding requirement under the Home Rule Charter that the Commissioners take action on the Proposed Operating and Capital Budgets for 2014 at their November 20, 2013 meeting, and it will be an agenda item for said meeting.

5. Mr. Havir asked the Committee to consider recommending the adoption of a Resolution authorizing a 50/50 cost-sharing grant for a financial management study and analysis through the Pennsylvania Department of Community and Economic Development's Early Intervention Program guidelines (DCED). The purpose of this study is to assist the Township in the development of a five-year strategic financial plan, with an emphasis on helping the Township to better manage its current Other Post-Employment Benefits(OPEB) and employee pension obligations. The estimated cost of the study would be \$100,000.00, which would be financed on a 50/50 cost share basis with DCED.

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 authorizing the filing of a 50/50 cost-sharing grant application with the Pennsylvania Department of Community and Economic Development's Early Intervention Program for a financial management study and analysis of the Township's other post-employment benefits and employee pension obligations as presented this evening (see attached).

6. Old Business – None.
7. New Business – None.
8. Citizens' Forum – None.

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



Bryan T. Havir
Township Manager

Per: **Bruce Rangnow**
Acting Director of Fiscal Affairs

**TOWNSHIP OF CHELTENHAM
RESOLUTION NO. -13**

**AUTHORIZING THE FILING OF A GRANT APPLICATION
TO THE PENNSYLVANIA DEPARTMENT OF
COMMUNITY AND ECONOMIC DEVELOPMENT
FOR PARTICIPATION IN THE EARLY INTERVENTION PROGRAM**

WHEREAS, the Board of Commissioners of the Township of Cheltenham, Montgomery County, is desirous of undertaking a 5-year financial management study and analysis under the Early Intervention Program guidelines as outlined by the Pennsylvania Department of Community and Economic Development; and

WHEREAS, the Township of Cheltenham estimates that the cost to hire a professional financial consultant to assist in preparing the financial management study, analysis and plan to be in the amount of ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS; and

WHEREAS, The Pennsylvania Department of Community and Economic Development makes available grants-in-aid at a 50/50 cost share ratio to such projects through the Early Intervention Program.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Township of Cheltenham hereby authorizes the Township Manager of the Township of Cheltenham to make application for a state grant in the amount of FIFTY-THOUSAND (\$50,000) DOLLARS on its behalf; and

BE IT FURTHER RESOLVED that the Board of Commissioners of the Township of Cheltenham hereby allocates local resources in the amount of FIFTY-THOUSAND (\$50,000) DOLLARS to provide matching funds for said project.

IN WITNESS THEREOF, I affix my hand and attach the seal of the Township of Cheltenham on this 20th day of November, 2013.

TOWNSHIP OF CHELTENHAM

Art Haywood, President
Board of Commissioners

ATTEST

Bryan T. Havir, Secretary/Manager
(SEAL)

PUBLIC ATTENDANCE LIST
Public Works Committee @ 7:30 PM
Finance Committee @ 7:45 AM
Wednesday, November 13, 2013
Curtis Hall
Wyncote, PA 19095

NAME (Please Print)	AFFILIATION/COMPANY AND/OR ADDRESS	EMAIL ADDRESS AND/OR TELEPHONE NUMBER
Liz Cheeseman	ARRCO	717-560-2791
Tom Weld	BCM	610-313-3100
Don Torsello	PA DEP	717-772-3958
Jeff Skinner	ARRCO BCM	610-313-3100
Robert Hyslop	211 Harrison 19038	215-886-0813
Ann Rappaport	Wyncote	
Tom McHugh	127 Hewett Rd. Wyncote, PA	tom.mchugh@monitordata.com
Steve Strahs		
Pete Nissen	Acacia Financial	856 234 2266
Mildred Broadbent	" "	" "