

November 6, 2013  
Curtis Hall  
7:30 p.m.

A **SPECIAL MEETING** of the **TOWNSHIP COMMISSIONERS** was held this evening at 7:30 p.m. for the President of the Board of Commissioners to present his *2014 Budget Message and Financial Plan* pursuant to the provisions of the Home Rule Charter, Section 1205 (see attached).

President Art Haywood presided. The Secretary's Roll Call was answered by Commissioners Hampton, McKeown, Norris, Portner, Sharkey, Simon.

Staff present were Charlyn Battle, Human Resources Director; Michael Fleming, Public Works Coordinator; Kenneth Hellendall, EMS Director; Brian Hinson, Acting Director of Parks and Recreation; David Jones, Interim Zoning Officer/Planner; Mark McDonnell, Public Works Superintendent; Kevin O'Brien, Deputy Chief of Police; Joseph W. O'Neill, Fire Marshal; Bruce Rangnow, Acting Director of Fiscal Affairs; and Bryan T. Havir, Township Manager.

Also present was Stephen G. Burns, Finance Officer and Carrie Turner, President and CEO of Libraries. A Public Attendance list is attached.

1. In conformity with the provisions of the Home Rule Charter, President Haywood presented to the Board of Commissioners his *2014 Budget Message and Financial Plan*, including the *Proposed Operating and Capital Budgets* as follows:

- a) Comparative figures for estimated income and expenditures for the current fiscal year 2013 and actual expenditures for the year 2012, together with the forecast of revenues and expenditures for two additional years (2015 and 2016);
- b) A proposed Operating Budget for 2014;
- c) A proposed Capital Program for 2014 through 2018;
- d) Proposed Capital Budgets for 2014 and 2015;
- e) A proposed State Liquid Fuels Budget for 2014.

There being no further business to come before the Board, upon motion of Mr. McKeown, the meeting was adjourned at 7:45 p.m.



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Bryan T. Havir  
Township Manager

as per Anna Marie Felix



**BUDGET MESSAGE**  
for  
**YEAR 2014**  
from  
**Art Haywood, President**  
**CHELTENHAM TOWNSHIP BOARD OF COMMISSIONERS**  
**Wednesday, November 6, 2013**

Good Evening! I am Art Haywood, President of the Board of Commissioners.

The Township's Home Rule Charter mandates that the Board President present a financial plan for the Township for each year. I will outline a plan this evening to encompass proposed Operating and Capital Budgets, a State Liquid Fuels Budget, and a Five-Year Capital Program through 2018.

With respect to the 2014 Budget, what I propose is a plan to raise the value of Cheltenham by maintaining high quality services while increasing management and energy conservation efficiencies, moderating real estate taxation, investing in sustainability, enhancing neighborhood beauty, and attracting businesses.

The budgeting process began this summer and continued into September when the Township Manager held budget meetings with department heads, Staff and representatives from the libraries. That was followed by a full-day Public Budget Workshop on October 1<sup>ST</sup> conducted by the Commissioners.

At this time, the proposed Operating Budget for 2014 totals \$40,198,677. This is a slight increase in expenses of \$20,000 dollars from 2013. All department heads have held the line on expenses. Savings have been realized through management, even as wage and salary and debt service have risen.

Unfortunately, revenues are not keeping pace to cover expenses. Most of the revenue weakness can be found in four key areas - interest earnings, deed transfers that are reflective of a sluggish real estate market, a reduction in permit fees from various development applications due to a lack of building activity, and the decrease in real estate tax assessment values as a result of ongoing property reassessments by the County's board of assessment appeals.

No real estate tax increases have been in the final budget of the Commissioners since 2009. We do not have a way to maintain the no tax increase record. Therefore, this budget offers an approach that relies on about one-half of the \$1.7 Million revenue shortfall being made up from our Fund Balance, and the other half coming from a property tax increase. This means a real estate tax increase for an additional \$90 per household for a property with an average assessed valuation of \$145,000 or \$7.50 per month. This equates to 4.72 mills or a .021% increase over 2013.

Recognizing the Township's fiscal constraints, the budget provides no increase to our fantastic library system. Given the record-setting usage of our four libraries, and our annual ongoing \$1.5 million contribution to the Libraries I wish we could achieve more.

For our five Fire Companies, the current budget also provides no increase. I would be remiss if I did not take this opportunity to thank our dedicated men and women who serve in our Fire Companies. Their devotion and commitment to saving lives and property is tremendous. They spend hundreds of hours in training and responding to calls at all times of the day and night and in all kinds of conditions.

We are also very fortunate to have many other volunteer groups such as the auxiliary police officers, emergency medical technicians, members of our citizens committees, library volunteers, members of our little leagues and athletic organizations and many others.

The Township has been diligently working to improve our infrastructure. We are working with state and federal agencies such as the Pennsylvania Department of Environmental Protection to perform a comprehensive rehabilitation of our sanitary sewer system. We are also working with the Pennsylvania Emergency Management Agency, the Federal Emergency Management Agency, as well as the U.S. Army Corps of Engineers to address flood control measures.

The level budget does include modest wage increases. At the same time, it also assumes that our employees shall increase their share of contributions toward health insurance costs and pensions with reduced Township paid retiree health care. Our retiree health care expenses are extraordinary and pose a significant threat to Township finances. We must do much more to contain these costs. Negotiations with our Public Works employees and the clerical staff are currently underway, but no agreements have been reached to date. At the same time, we

lowered our pension administration cost for the Township's four pension plans by changing the pension plans' advisor. This will realize a savings of \$158,000.

Along with the Commissioners and Township Staff, I am committed to keeping the high level of the quality of life and services in Cheltenham and our accomplishments have been many.

In 2013, Cheltenham has proven over and over that it is a great place to live, work, and educate our children.

In addition to our \$40,198,677 Operating Budget, the Township is projecting a Capital Budget for 2014 totaling over \$8.8 million. There are over 80 capital projects planned for 2014, and they include such work as replacement of over 12,000 linear feet of sewer line, purchasing new police vehicles and a new ambulance, improvements to our thirteen municipal buildings, upgrades to our two pools, recreation facilities, playgrounds, and equipment in our parks.

Earlier this year, the Commissioners approved a bond issue to continue to fund many important capital projects and acquisitions. It is important to note that over 60% of that bond went to pay for the ongoing sanitary sewer improvement related work.

The Township continues maximizing grants from federal, state, and county agencies. During the past 12-months, the Township has secured over \$1 Million in grants and corporate donations. Most of these grants will be used to contribute to a variety of the capital budget projects.

The Township's Liquid Fuels Budget provides for \$654,156 in funds for snow removal and paving of municipal roads. Next year's state contribution is about the same as last year based on the state funding formula.

The Commissioners will be working with the Township Manager and Township Staff between now and final budget adoption on December 18<sup>th</sup> to continue to fine tune projections. We will make every attempt to maximize revenues and trim expenditures to lessen the proposed property tax increase.

Next Wednesday evening, November 13<sup>th</sup>, the Finance Committee will review this proposed budget at 7:30 p.m. On November 20<sup>th</sup>, at 7:30 p.m., the Commissioners will adopt the preliminary Operating and Capital Budgets for 2014. On December 11<sup>th</sup>, at 7:30 p.m., the Finance Committee meets again for further review of the budget. On December 18<sup>th</sup>, there will be a formal hearing to adopt the final budget. All meetings will be held at Curtis Hall. We welcome public input.

Thank you for your attention, and good evening and remember to help a neighbor and a stranger. Happy Thanksgiving and enjoy the holiday season.

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