

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

Staff members present were Township Manager, Bryan Havir, Director of Fiscal Affairs, Bruce Rangnow, Public Works Coordinator, Michael Fleming, Director of Parks and Recreation, Brian Hinson and Assistant Township Manager Alyson Elliott. Also in attendance was Finance Officer Stephen Burns. A public Attendance List is attached.

Mr. Norris stated that an executive session of the Board of Commissioners was held prior to the start of the Finance Committee meeting to discuss the purchase of real estate and pending litigation issues.

Mr. Norris called the meeting of the Finance Committee to order at 7:35 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 ending February 29, 2016.

2. The Committee reviewed and accepted the 2015 General Fund Balance report as determined by the Township's independent auditor, Maillie, LLP.

3. Ed Furman, Audit Partner from Maillie, LLP, made a summary presentation on the preliminary results of the annual financial audit for the year ending December 31, 2015. A draft copy of the preliminary 2015 audit results was distributed to the Committee. The full audit still needs some final review and footnoting before it can be released to the public. Highlights of the presentation and discussions were as follows:

- The 2015 audit review and testing has produced no financial anomalies.
- There was a small net realized gain in the 2015 General Fund Balance of \$22,936. This result continues to build onto the positive improvements made to the fund balance over the past five years.
- Cable fee revenue was significantly higher than the five year historical trend due to a one time payment intended for 2014 that was received in 2015 after the prior year audit work was completed.
- Yearly excess of revenue over expenditures has remained fairly consistent over the past five years, indicating that the Township has done a good job in controlling operational expenditures.
- Pension Plan assets increased by \$847,582 to \$59,315,039 over the prior year ending balance despite the stock market downturn towards the end of 2015.

Mr. Sharkey noted that there is continuing dialogue and discussions on pension reform taking place at the State level that could result in the lowering of future annual pension funding contributions being made by the State to the Township.

Mr. Furman indicated that he will be in attendance at the next Finance Committee meeting on April 13, 2016 to present the final results of the annual financial audit for the year ending December 31, 2015.

4. Mr. Nissen, Managing Director of the Acacia Financial Group, Inc. discussed various new money bond funding borrowing scenarios with respect to the Township's consideration on borrowing \$10M or \$20M in 2016 to fund current and future related sewer restoration expenditures and other capital project funding needs with the Finance Committee. He explained the pros and cons on 20, 25 and 30 year term debt repayment considerations, outlined the benefits of bond call write features, the need to keep the yearly net bond debt repayments level throughout the collective terms of all the underwritten bonds, clarified the distinctions and benefits between bank qualified and non-bank qualified bond borrowings, explained what type of investment instruments can be used for earning interest on unspent bond proceeds along with defining the likely interest rates of return which can be achieved on such short term investments, and what the potential impacts will be from changes that occur in bond borrowing interest rates now and in the future. Mr. Nissen indicated that as the Township's Financial Advisor he favors the underwriting a \$10M bank qualified bond using a 20 year back-loaded debt service repayment schedule for any current year proposed bond borrowing. There were many differences of opinion and thoughts expressed on this subject matter by each member of the Committee in the ensuing discussion with no consensus reached as to the dollar amount needed for the current borrowing and what the appropriate debt service repayment term should be.

Since there is no need yet at this time to make any final decisions on the amount, terms and debt repayment structure of a current year 2016 bond funding it was decided that further discussions on this topic will take place at the Finance Committee meeting in April. In the interim to next months meeting, it was agreed that the necessary planning work should continue on an uninterrupted basis towards the goal of completing a bond funding in 2016.

**Recommendation to the Board of Commissioners:** Upon motion of Mr. Norris, the Committee made a majority recommendation, with an abstention by Mr. Sharkey, that the Board authorize, by resolution, the appropriate Township officials and its professional and financial advisors to prepare for the incurrence of nonelectoral debt.

5. Mr. Havir presented the Committee with an explanation for the need to adopt an Ordinance authorizing Portnoff Law Associates to collect delinquent sewer and refuse payments on behalf of the Township. Mr. Burns, the Tax Collector and Director of Finance, raised a question on why there is a need for multiple sets of like kind individual fees to be charged by Portnoff for their services rendered in the collection of delinquent township taxes, sewer and refuse payments since that work is of a similar nature and are all being processed at the same time by Portnoff. Diane Boehret, Attorney at Law for Portnoff Law Associates, LTD responded that her firm would have no objections to assessing & charging only one like kind fee going forward for each of the three aforementioned collection service categories with multiple claims related to the same tax parcel. Ms. Boehret also answered other questions raised by several of the Committee members and the Township Solicitor as relates to Portnoff's overall proposed

fee schedule. At the conclusion of these discussions it was agreed that the outlined fees for services intending to be performed by Portnoff in their collection of delinquent sewer and refuse payments are deemed to be considered normal and reasonable.

**Recommendation to the Board of Commissioners:** Upon motion of Mr. Norris, the Committee unanimously recommended to the Board to adopt an Ordinance approving the collection procedures and adopting interest and schedule of attorney fees and charges to be added to the amount collected as part of unpaid sewer and refuse fees for delinquent accounts.

6. Old Business – None.

7. New Business – None.

8. Citizen Forum – Mr. Fred Milbert, 625 Elkins Ave, addressed the Committee and stated that it is his understanding that the Township currently has no existing procedures in place to require individual contractors that are not domiciled within the Township to obtain a business privilege license, and that as a result of this a meaningful source of new revenue to the Township is being lost. In support of this concern Mr. Burns, the Township Tax Collector and Director of Finance, indicated that the State in 2014 amended its rules governing the right of municipalities to only license those businesses that are directly domiciled within said municipality to also allow for non-domiciled entities doing business within the municipality to be required to obtain a business privilege license and pay the appropriate yearly taxes for operating their business within said municipality as long as they have conducted at least 15 days worth of business in the municipality.

It was agreed by the Committee that this consideration should be explored and directed the Township Manager and staff to come back to the next Finance Committee meeting to present a recommendation and plan of action to address this matter.

There being no further business, upon motion of Mr. Norris, the Committee unanimously agreed to adjourn the meeting at 9.00 p.m.



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Bryan T. Havir  
Township Manager

Per: Bruce Rangnow  
Director of Fiscal Affairs

**PUBLIC ATTENDANCE LIST**  
**Parks & Recreation @ 7:30 PM**  
**Finance Committee @ 7:45 PM**  
**Public Works Committee @ 8:00 PM**  
**Wednesday, March 9, 2016**  
**Curtis Hall**  
**Wyncote, PA 19095**

| NAME (Please Print Clearly) | ADDRESS                        | EMAIL/TELEPHONE           |
|-----------------------------|--------------------------------|---------------------------|
| <i>Robert Nissen</i>        | <i>Acornia</i>                 | <i>7856 2342266</i>       |
| <i>ROBERT HYSLOP</i>        | <i>211 HARRISON</i>            | <i>215-886-0813</i>       |
| <i>Neil Wochner</i>         |                                | <i>nwochner@chelt.com</i> |
| <i>DIANE BOEHRET</i>        | <i>PORTNOFF LAW ASSOCIATES</i> |                           |
| <i>ED FURMAN</i>            | <i>MAILLIE, LLC</i>            |                           |
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