

December 9, 2009
Township Building

A regular meeting of **FINANCE COMMITTEE** was held tonight, Chairman Morton J. Simon, Jr. presiding. Members present were Commissioners McKeown, Muldawer, Portner, Sharkey and Swavola. Also present was ex-officio member Greenwald. Staff members present were Township Manager David G. Kraynik; Director of Fiscal Affairs Elizabeth McBride and Assistant Township Manager Bryan Havir. Also present were Finance Officer Steven Burns. A Public Attendance list is attached.

1. A presentation of a Kerlin Farm proposal was given by members of the Cheltenham Township Community Development Corporation (CTCDC) -- Brad Pransky, Reginald Pitts, Greta Milles and David Cohen. The property is a 7.6 acre parcel located at the intersection of Ashbourne and Oak Lane Roads. The CTCDC sought a letter of support from the Commissioners to be used by State Representative Lawrence Curry in seeking financial support to complete a four part proposal:

- a) acquire and stabilize grounds and manor house
- b) clear approximately four easterly acres for farming purposes
- c) prepare northern portion for horticultural purposes/community garden
- d) create a solar array on southwest portion for energy self-sufficiency

The CTCDC stressed that the benefits include preservation of cultural heritage and open space, ability to provide locally grown foods and community gardens, preserve all or the main portion of the historically important manor house, and provide a renewable energy source via the solar array. In addition, the CTCDC emphasized that timing was critical and delays may make this acquisition impossible. Mr. Simon asked if a letter of support would indicate a financial commitment on the part of Township. Mr. McKeown asked if

the house could truly be preserved or if the current extent of damage made that unlikely. Mr. Swavola offered support to preserve the property but hesitated to offer support to the plan presented.

The CTCDC assured the Committee that the letter of support was not indicative of any financial commitment on the part of the Township. The CTCDC feels that the original portion of the manor house could still be preserved but is uncertain if the additions could be restored and stated that these plans are conceptual only. Ellen Gartner stated that only three houses in the Township date back to the 1600's and this house is one of them. She mentioned that the manor house on this parcel was in the original William Penn plans. Discussion was held regarding any future impact from removing this property from the tax rolls. Commissioner-elect Art Haywood asked if the CTCDC had an operating budget and Mr. Pransky replied no, not yet. The Committee authorized Township Manager Kraynik to write a letter of support.

2. The Committee discussed the financial position of the Township based on the November 2009 Executive Financial Summary Report. Mr. Greenwald commented that spending remains slightly under the levels of previous years and revenue received is slightly above.

3. Township Manager Kraynik presented a status report on the preparation of the 2010 Operating budget. He commented that on October 6, 2009, the deficit was \$1,168,181, and by November 4, 2009, and November 10, 2009, the deficits had been lowered to \$779,331 and \$471,332 respectively. He is presenting this evening further budget recommendations that will lower the deficit to \$304,879, resulting in a tax

increase of 2.3% or an increase in real estate taxes of \$23.49 for the average assessment. See attached.

Specific reductions on the many line items were discussed, including expenses of uniforms, summer help, potential retirements, legal costs, postage, and leaf collection, as well as parks and recreation revenues. Mr. Kraynik said these are the most severe cuts he has ever recommended. If accepted, the budget will be in a very precarious state, with very little room for error. He said it will make it very difficult to not touch the \$1,203,781 that is budgeted as revenue and identified as Unappropriate Fund Balance. He said the Commissioners have asked him and Staff to administer budgets for over 10 years now without having to touch this revenue item. Mr. Kraynik said it is becoming increasingly difficult to do so given the very lean condition of the budget.

Finance Officer Burns informed the Committee that the Finance Office is receiving a growing number of calls from residents who are having difficulty paying their real estate taxes and he hopes the Township will not have a real estate tax increase for 2010. He then discussed the recent history of millage by the Township and the School District and suggested changes that could be made which he feels could result in containing some costs. Changes cited included eliminating the raised gold seal on business cards, changing the 4-part check stock to 3-part, eliminating weekly payroll and switching to bi-weekly pay periods, requiring direct deposit for all pay thereby eliminating the issuance of paychecks, and change the Township letterhead from pre-printed to computer printed.

Mr. Kraynik said some of these ideas have already been considered by him and Ms. McBride but that some are hindered by collective bargaining agreements. Mr. Burns was asked why he did not make these suggestions sooner. Discussion was held by the Committee members regarding the Township's costs for tax collection and the chance to increase remittances of earned income taxes. Mr. Greenwald commented that Act 32 will require all employers to remit earned income tax in 2012 but presently there is no requirement. Mr. McKeown questioned if the School District reimburses the Township for the costs it incurs in providing an office, an employee, and computer and office supplies for the tax collector. The School District does not reimburse the Township.

Upon motion of Mr. Greenwald, the Committee unanimously recommended to the Board of Commissioners that the budget changes outlined in Mr. Kraynik's December 8, 2009 memo be incorporated into the adoption of the 2010 Operating Budget.

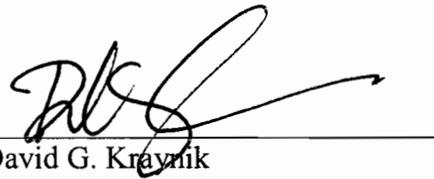
Upon motion of Mr. McKeown, the Committee unanimously recommended to the Board of Commissioners, increases in various Parks and Recreation Department Fees as outlined in Recreation Superintendent Brian Hinson's October 23, 2009 memo. See attached.

4. Old Business: none
5. New Business: none
6. Citizens Forum.

Mr. Michael Zlotnick asked each member of the Committee to view and post comments on three you-tube clips that he has posted on the internet. He attended

night school at the High School and found the condition of the school to be deplorable. Mr. Muldawer asked if the School Board was notified. Mr. Zlotnick said that, to date, he had notified the Superintendent only. Mr. Swavola told Mr. Zlotnick that this was not a Township issue, that it was a School Board issue and suggested to Mr. Zlotnick that he present his concerns to the School Board.

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

A handwritten signature in black ink, appearing to read 'DK', is written over a horizontal line. The signature is stylized and extends to the right.

David G. Kraynik
Township Manager

Per: Elizabeth McBride
Director of Fiscal Affairs

Township of Cheltenham

Montgomery County, Pennsylvania

Board of Commissioners

Paul R. Greenwald, President
Morton J. Simon, Jr., Vice President
Charles D. McKeown
Jeffrey A. Muldawer
Harvey Portner
J. Andrew Sharkey
Michael J. Swavola

Township Manager
David G. Kraynik



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MEMORANDUM

DATE: December 8, 2009

TO: Finance Committee

FROM: David G. Kraynik, Township Manager 

SUBJECT: Status Report on 2010 Operating Budget

Date	Deficit Amount	Amount of Tax Increase for Avg. Assessed House
10/6/09	\$1,168,181	\$90.01 (9%)
11/4/09	\$779,331 - \$80,791 – eliminate two Police Dispatchers -\$60 – fix typo in Township Buildings Budget -\$307,999 – reduction in Health Insurance Premiums	\$60.06 (5.9%)
11/10/09	\$471,332 - \$19,340 – reduction in Workers' Compensation Insurance Premium - \$91,656 – reduction in DVIT Insurance Premium - \$94,855 – reduction in Health Insurance Premium - \$3,210 – DVIT Loss Control Grant Revenue -\$70,000 – Cable TV Revenue -\$28,938 – reduction in Sanitary Sewer Treatment Costs	\$36.31 (3.5%)

42

Date	Deficit Amount	Amount of Tax Increase for Avg. Assessed House
12/8/09	\$304,879 - \$19,257 – Abington Sewer Treatment Revenue - \$11,162 – Eliminate Merit Pay Raises for Management/ Supervisory Personnel - \$5,695 – Eliminate Merit Pay Raises for Salaried Employees above a “C” Job Rating - \$3,740 – Eliminate Parks and Rec summer maintenance position - \$14,040 – Eliminate part-time Clerk Typist position in the Fire Marshal’s office - \$3,900 – Eliminate Building & Zoning summer position - \$700 – Reduce photography costs. Do more in-house. - \$1,250 – Eliminate Township Manager’s ICMA Conference - \$500 – Reduce conferences for Human Resources Coordinator - \$500 – Reduce conferences for Assistant Township Manager - \$300 – Eliminate Intelligencer newspaper subscription - \$300 – Eliminate Philadelphia Inquirer newspaper subscription - \$360 – Eliminate Times Chronicle newspaper subscription - \$28,320 – Eliminate Transit Service - \$3,900 – Eliminate Code Admin/ Property Maintenance Summer Employee - \$1,480 – Eliminate Meter Maid Uniform replacement - \$1,500 – Eliminate Parks and Rec Director NRPA Conference - \$1000 – Reduce EMS conferences - \$1000 – Reduce Emergency Management Conferences - \$710 – Eliminate APWA memberships – Streets & Bridges - \$300 – Reduce MS4 silt control supplies - \$125 – Eliminate APWA membership – Sanitary Sewers	\$23.49 (2.3%)

Date	Deficit Amount	Amount of Tax Increase for Avg. Assessed Home
12/8/09 (Continued)	<ul style="list-style-type: none"> - \$125 – Eliminate APWA membership – Refuse - \$26,409 – Increase year-round, spring, summer and fall Parks and Recreation Program fees (see attached) - \$1,000 – Reduce Building & Zoning continuing education - \$3,000 – Eliminate (1) Police Officer Uniform Issue - \$100 – Eliminate (1) Police Pistol Range Uniform Issue - \$250 – Eliminate Police storage cabinet - \$320 – Eliminate (1) Police entrance level physical exam - \$180 – Eliminate (1) Police entrance level psychological exam - \$100 – Eliminate (1) Police Credit Card/Background Investigation - \$375 – Eliminate (1) Police Polygraph Test - \$681 – Reduce Police Field Training Officer Duties - \$27,024 – Reduce Police Sick Leave/Comp Time Buyback - \$1,900 – Reduce Building & Zoning forms - \$875 – Reduce Building & Zoning field tools - \$675 – Reduce Building & Zoning Asso. Dues and Publications - \$400 – Reduce EMS office supplies - \$500 – Reduce EMS work uniforms - \$500 – Reduce EMS Tools & Equipment - \$1000 – Reduce EMS Disposable Equipment - \$1000 – Reduce EMS MDT Modems 	

MEMO TO: Mr. John O. Hoover, Jr., Director of Parks and Recreation

FROM: Brian Hinson, Recreation Superintendent

DATE: October 23, 2009

RE: Recommended Program Fee Increases

Below please find the Parks and Recreation Department Program increase recommendations for the 2010 program season. The increase range between \$5.00 and \$25.00 dollar amounts.

WINTER

Program	2008 Fee	2009 Fee	2010 Fee	# of participants in "09"	New Revenue in "10"
Dance	\$110 - 24 wks \$40 - 12 wks	\$110 - 24 wks \$40 - 12 wks	\$140 - 24 wks \$50 - 12wks	105	\$3,150
Body Shaping	\$50	\$50	\$60	33	\$330
Tae Kwon Do	\$50	\$50	\$60	11	\$110
Judo	\$35	\$35	\$45	39	\$390
Kidnastics	\$25	\$25	\$35	13	\$130
Junior Chefs	\$25	\$45	\$45	12	\$240
Belly Dancing	\$25	\$25	N/A	8	\$0
Sewing Class		\$35	\$35	9	\$315
Creative Art	\$25	\$35	\$35	8	\$80
CHS Rec Swim	A - \$25 Y - \$15	A - \$25 Y - \$15	A - \$30 Y - \$20	A - 50 estimated Y - 50 estimated	A - \$250 Y - \$250
Swim Lessons	\$25	\$25	\$30	0	\$500 estimated
Lifeguarding	\$195	\$195	\$200	0	\$50 estimated
CedarBrook Basketball	\$15	\$25	\$25	20	\$200
Volleyball	\$0	\$0	\$15	20	\$300

\$5775

* RED NUMBERS INDICATE COST FOR PROGRAM WAS RAISED THIS YEAR AND NOT RECOMMENDED TO INCREASE NEXT YEAR

FALL

Program	2008 Fee	2009 Fee	2010 Fee	# of participants in "09"	New Revenue in "10"
Dance	\$110 - 24 wks \$40 - 12 wks	\$110 - 24 wks \$40 - 12 wks	\$140 - 24 wks \$50 - 12 wks	132	\$3,960
Body Shaping	\$50	\$50	\$60	36	\$360
Tae Kwon Do	\$50	\$50	\$60	20	\$200
Judo	\$35	\$35	\$45	35	\$350
Kidnastics	\$25	\$25	\$35	24	\$240
Junior Chefs	\$25	\$45	\$45	12	\$240
Cake Decorating		\$60	\$60	10	\$600
Belly Dancing	\$25	\$25	N/A	8	\$0
Sewing Class		\$35	\$35	9	\$315
Creative Art	\$25	\$35	\$35	8	\$80
Theatre Class		\$65	\$65	9	\$585
CHS Rec Swim	A - \$25 Y - \$15	A - \$25 Y - \$15	A - \$30 Y - \$20	A - 50 estimated Y - 50 estimated	A - \$250 Y - \$250
Swim Lessons	\$25	\$25	\$30	107	\$535
Lifeguarding	\$195	\$195	\$200	0	???
CedarBrook Basketball	\$15	\$25	\$25	20	\$200
Volleyball	\$0	\$0	\$15	20	\$300

7945

SPRING/SUMMER

Program	2008 Fee	2009 Fee	2010 Fee	# of participants in "09"	New Revenue in "10"
Body Shaping	\$50	\$50	\$55	18	\$90
Tae Kwon Do	\$25	\$25	\$30	16	\$80
Kiddie Camp	\$120	\$120	\$145	30	\$750
Talent Search	\$2	\$2	\$2	77	\$154
Tennis	Y - \$35 A - \$40 NR Y - \$52.50 NR A - \$60	Y - \$40 A - \$40 NR Y - \$52.50 NR A - \$60	Y - \$40 A - \$40 NR Y - \$52.50 NR A - \$60	Youth - 58 Adult - 28	\$3,070
Teen Camp	\$750	\$800	\$825	33	\$825
Playgrounds	\$225	\$225	\$250	287	\$7,175
Swim Team	\$20	\$20	\$25	40	\$200
Swim Lessons	\$20	\$20	\$25	200	1,000

Year Round

Program	2008 Fee	2009 Fee	2010 Fee	# of participants in "09"	New Revenue in "10"
Registration Late Fee	\$3	\$3	\$5	10	\$20
Gym Memberships	A - \$15 Y - \$10	A - \$15 Y - \$10	A - \$20 Y - \$15	A - 50 Y - 250	A - \$250 Y - \$1,250
Party Packages	* \$100 Residents Only	* R - \$150 NR - \$180	* R - \$150 NR - \$180	* R - 30 NR - 20	* R - \$1,500 NR - \$3,600

5120

WINTER	\$ 6,295.00 5775 (2011)
SPG. & SUMMER	\$13,344.00 (2010)
FALL	\$ 8,465.00 7945 (2010)
YEAR ROUND	\$ 6,620.00 5120 (2010)
	\$34,724.00 <u>32184</u> - 5775 <u>26409</u>