

November 10, 2009  
Township Building

A regular meeting of the **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 and Library President/CEO Carrie Turner. A Public Attendance list is attached.

1. The Committee discussed the financial position of the Township based on the October 2009 Executive Financial Summary Report. Committee members commented that they are pleased that expenses are in line with budgeted amounts and revenue is tracking favorably.

2. Upon motion of Commissioner McKeown, and approved by the Committee, it was recommended to the Board of Commissioners that the following transfer within the 2009 Operating Budget be approved by Resolution:

**By Resolution**

<i>From</i>		<i>To</i>
<u>Swimming Pools</u>		<u>Swimming Pools</u>
01-090 Wages Swimming Pools	\$5,000	01-092 Utilities (Pools) \$5,000

Mr. Kraynik explained that other 2009 budget adjustments must be done by Ordinance. Because two union contracts were not finalized during the preparation of

the 2009 budget, those funding estimates for salary, longevity, etc. were placed in Unallocated Appropriation. Since the contracts were finalized during 2009, the Township now must adjust the budget by moving funds from Unallocated Appropriation to the respective line items. Secondly, funds budgeted for Philadelphia Sewer Treatment costs must be increased to reflect rate hikes by the city. Lastly, expenditures budgeted for Civic Organizations have, in the past, been paid by Industrial Development Authority (IDA) funds. Because IDA funds are low, the Operating Budget needs to fund these donations.

Upon motion of Commissioner McKeown, and approved by the Committee, it was recommended to the Board of Commissioners that certain transfers within the 2009 Operating Budget be approved by Ordinance. (See attached.).

3. A 2010 Budget Presentation by the fire companies was given by Darren Harrison, President of Elkins Park Fire Company. Also present were representatives from the Township's four other companies. Mr. Harrison acknowledged that economically, this is a tough period and because of that, all five fire companies are not requesting an increase in the allocation from the Township. He emphasized that the fire companies need to have the same allocation and nothing less, as last year. Mr. Harrison highlighted the members' presence in the community, the extensive training they receive, and the dollars saved by the Township due to the volunteers' efforts. He estimated that the five volunteer fire companies save the Township approximately \$14 million per year. He noted the emergency drill held on October 18, 2008 where more than 50 firefighters participated and the 1000 calls per year that the fire companies handle.

Mr. Harrison explained that contributions are down, operating costs are up and grant money is, at times, so restrictive that it cannot be relied upon to alleviate the costs of day-to-day operations. Commissioner McKeown praised the volunteer fire companies for their efforts, then questioned whether all fire companies use equipment that is standardized, and specifically questioned whether an air pack used by a member of one company can be attached to equipment owned by another company. The representatives of the fire companies agreed that this is a goal they are working toward but acknowledged that not all equipment is standardized in that way.

Commissioner Greenwald thanked the fire companies for their service and emphasized that the proposed 2010 budget maintains the Township allocation to the fire companies at the same level of support as in the previous year. Resident McKinley Lennox said he would have liked to make a donation using a credit card but was told that the fire companies are not able to process donations with credit cards and Mr. Lennox hoped that, in the near future, that would be possible. Mr. Harrison closed his presentation by expressing gratitude to Fire Marshal Joe O'Neill for his ongoing support.

4. The Committee discussed the President's 2010 Budget Message and the Proposed 2010 Operating and Capital Budgets. Commissioner Greenwald noted that a sentence should be struck from the President's message (page 6, second paragraph) beginning with "One area..." and the word, "regardless", should also be struck. Mr. Kraynik noted that when the first draft of the budget was first presented on October 6, 2009, there was a shortfall of \$1,168,181 which would have resulted in a real estate tax increase of \$90.01 for the average assessed house. By the time of the President's Message which was delivered on November 4, 2009, he had been able to reduce the

shortfall to \$779,331 which then reduced the estimated average real estate tax increase to \$60.06. As of November 10, 2009, primarily due to obtaining firmer estimates on benefits costs, the shortfall has been reduced further to \$471,332 or a \$36.31 average tax increase.

Commissioner McKeown was pleased that the fire and police budgets have not been cut. Commissioner Simon questioned whether the insurance revisions are now complete, to which Mr. Kraynik responded in the affirmative. He mentioned that the Township has approximately \$7 million in stimulus money which is mostly for capital purposes. Mr. Lennox questioned how equipment is obtained by the fire companies and Mr. Kraynik replied that each year, the Township gives funds to each fire company and the fire companies decide how and what equipment is to be purchased.

Upon motion of Commissioner Greenwald and unanimously approved by the Committee, Mr. Kraynik was directed to amend the Proposed 2010 Operating Budget in accordance with his memo to the Committee dated November 6, 2009. See attached. Commissioner McKeown complimented Mr. Kraynik on his efforts in preparing and revising the budget.

5. Old Business.

Mr. Kraynik informed the Committee that he had consulted with Labor Counsel as requested at the October meeting regarding the impact of possible personnel cuts or wage freezes in light of union contracts. A formal opinion is forthcoming from labor counsel Patrick Harvey, within the next week. Also, Mr. Kraynik looked into the current status of Township owned automobiles as requested

earlier by the Finance Committee, by requesting information from the staff on their automobiles. He will create a report and submit it to the Committee.

Commissioner Simon complimented Mr. Kraynik for his efforts on the budget and expressed hope that further cuts would be made. Mr. Burns stated that he would prefer to see anticipated real estate tax increases expressed as a percentage, instead of a dollar value, in relation to the average assessment. Mr. Kraynik responded that an average increase of \$36 is approximately 3.5%. Commissioner McKeown commented that the Township budget is more transparent than the School District budget.

6. Citizens Forum.

Mr. Lennox stated that the School Board does not know what it is doing and the costs of employee benefits for School employees increase 20% per year. He then questioned why some Township vehicles are not identified by the Township logo and he encouraged the Township to buy only compact cars.

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



David G. Kraynik  
Township Manager

Per: Elizabeth McBride  
Director of Fiscal Affairs

## PUBLIC ATTENDANCE LIST

Public Works Committee @ 7:30 PM

Finance Committee @ 7:45 PM

Tuesday, November 10, 2009

Cheltenham Township Administration Building  
8230 Old York Road, Elkins Park, PA 19027

NAME (Please Print)	AFFILIATION/COMPANY AND/OR ADDRESS	EMAIL ADDRESS AND/OR TELEPHONE NUMBER
Barb. Duffy	8 Hewett Rd, Wyncote	beduffy@comcast.net
Al Regenhard	319 Harrison Ave. Glenside	bigall19038@comcast.net
Kathy Hampton	700 Glenside Ave	Kashampton@gmail.com
Lisa Ewert	Chelt fire Co	lerkert@gmail.com
Joe Stuekert	Glenside Fire Co	
Art Gordon Jr	Ogontz Fire Co.	215-290-4414
Darren Harrison	Elkins Park Fire Co	Darren L Harrison@gmail.com cell 215 279 1268
David McDevitt-Schultz	Cheltenham EAC	david.m.devitt.schultz@gmail.com
JONATHAN SILVER	LAMOTT FIRE CO.	JON LONG SILVER@GMAIL.COM
GEORGE H BARNHART JR	LA MOTT FIRE CO	

**ORDINANCE NO. -09**

**AN ORDINANCE AMENDING ORDINANCE NO. 2173-08 ENACTED  
DECEMBER 16, 2008, AFFIXING THE TAX RATE FOR THE YEAR 2009  
AND APPROPRIATING SPECIFIC SUMS ESTIMATED TO BE  
REQUIRED FOR THE PURPOSES OF TOWNSHIP GOVERNMENT  
DURING THE CURRENT FISCAL YEAR.**

The Board of Commissioners of the Township of Cheltenham hereby ordains:

SECTION I. That Section 2 of Ordinance No. 2173-08 enacted December 16, 2008 setting forth amounts appropriated for expenses for various departments, is hereby amended and modified as follows:

DEPARTMENT	FROM	TO
Administration	\$ 1,558,928	\$ 1,588,551
Streets and Bridges	\$ 1,172,058	\$ 1,196,999
Sanitary Sewers	\$ 3,424,592	\$ 3,612,793
Refuse	\$ 1,927,153	\$ 1,952,645
Police	\$ 8,940,819	\$ 8,970,728
Parks and Recreation	\$ 1,874,533	\$ 1,911,020
Township Buildings	\$ 376,840	\$ 380,833
Building and Zoning	\$ 437,631	\$ 450,551
EMS	\$ 950,449	\$ 969,753
Street Lighting	\$ 436,500	\$ 448,100
Administration Miscellaneous	\$12,275,132	\$11,892,662

ENACTED into an Ordinance this \_\_\_ th day of November, A.D., 2009.

TOWNSHIP OF CHELTENHAM  
BOARD OF COMMISSIONERS

BY: \_\_\_\_\_  
Paul R. Greenwald, President

ATTEST:

\_\_\_\_\_  
David G. Kraynik, Secretary

**Budget Transfers By Ordinance - November 10, 2009**

<b>009-0063-002</b>	<b>Jenkintown Police Fuel</b>	<b>Administration</b>	<b>\$ 18,500</b>
<b>011-0072</b>	<b>Subsidies to Health Agencies</b>	<b>Administration</b>	<b>7,500</b>
<b>002-0018</b>	<b>Salaries</b>	<b>Administration</b>	<b>3,623</b>
<b>020-1020</b>	<b>Salaries</b>	<b>Streets and Bridges</b>	<b>5,866</b>
<b>020-1020</b>	<b>Longevity</b>	<b>Streets and Bridges</b>	<b>221</b>
<b>021-1020</b>	<b>Salaries</b>	<b>Streets and Bridges</b>	<b>6,377</b>
<b>022-1021</b>	<b>Wages</b>	<b>Streets and Bridges</b>	<b>2,572</b>
<b>025-1021</b>	<b>Wages</b>	<b>Streets and Bridges</b>	<b>7,975</b>
<b>029-1021</b>	<b>Wages</b>	<b>Streets and Bridges</b>	<b>1,930</b>
<b>040-1420</b>	<b>Salaries</b>	<b>Sanitary Sewers</b>	<b>960</b>
<b>040-1446-550</b>	<b>Philadelphia Treatment Costs</b>	<b>Sanitary Sewers</b>	<b>173,728</b>
<b>043-1421</b>	<b>Wages</b>	<b>Sanitary Sewers</b>	<b>13,513</b>
<b>050-1620</b>	<b>Salaries</b>	<b>Refuse</b>	<b>5,026</b>
<b>050-1627</b>	<b>Longevity</b>	<b>Refuse</b>	<b>432</b>
<b>051-1674</b>	<b>Wages</b>	<b>Refuse</b>	<b>20,034</b>
<b>061-2320-202</b>	<b>Salaries</b>	<b>Police</b>	<b>28,792</b>
<b>061-2327-203</b>	<b>Longevity</b>	<b>Police</b>	<b>1,117</b>
<b>080-3120</b>	<b>Salaries</b>	<b>Parks and Recreation</b>	<b>5,631</b>
<b>080-3220</b>	<b>Salaries</b>	<b>Parks and Recreation</b>	<b>2,604</b>
<b>080-3227</b>	<b>Salaries</b>	<b>Parks and Recreation</b>	<b>312</b>
<b>080-3320</b>	<b>Salaries</b>	<b>Parks and Recreation</b>	<b>1,487</b>
<b>082-3221</b>	<b>Wages</b>	<b>Parks and Recreation</b>	<b>2,749</b>
<b>082-3321</b>	<b>Wages</b>	<b>Parks and Recreation</b>	<b>15,704</b>
<b>088-3382</b>	<b>Civic Organizations</b>	<b>Parks and Recreation</b>	<b>8,000</b>
<b>100-4020</b>	<b>Salaries</b>	<b>Township Buildings</b>	<b>3,762</b>
<b>100-4027</b>	<b>Longevity</b>	<b>Township Buildings</b>	<b>231</b>
<b>130-7021</b>	<b>Salaries</b>	<b>Building and Zoning</b>	<b>12,920</b>
<b>135-7520</b>	<b>Salaries</b>	<b>EMS</b>	<b>16,710</b>
<b>135-7521</b>	<b>Salaries</b>	<b>EMS</b>	<b>1,890</b>
<b>135-7527</b>	<b>Longevity</b>	<b>EMS</b>	<b>704</b>
<b>030-1233</b>	<b>PECO Billing</b>	<b>Street Lighting</b>	<b>11,600</b>
<b>169-0596</b>	<b>Unallocated Appropriation</b>	<b>Administration Miscellaneous</b>	<b>(382,470)</b>

# 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



**Administration Building**  
 8230 Old York Road  
 Elkins Park, PA 19027-1589

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 Website: cheltenhamtownship.org

**Township Manager**  
 David G. Kraynik

## MEMORANDUM

**DATE:** November 6, 2009  
**TO:** Finance Committee  
**FROM:** David G. Kraynik, Township Manager *(Signature)*  
**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
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
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