

A regular meeting of the **FINANCE COMMITTEE** was held tonight, Chairman Morton J. Simon, Jr., presiding. Members present were Commissioners Haywood, Sharkey and Swavola. Also present was ex-officio member Portner. Staff members present were Township Manager David G. Kraynik; Director of Fiscal Affairs Joseph Galdo; Assistant Township Manager Bryan Havir; Public Works Superintendant Mark McDonell; and Director of Engineering, Zoning & Inspections David Lynch. A Public Attendance List is attached.

1. The Executive Financial Summary Report for the period ended June 30, 2011 was approved by the Committee. It was noted that revenues and expenditures tracked about normal for the first half of the year.

2. Mr. Kraynik spoke of efforts to maximize revenues in such a difficult economy. Mr. Galdo referenced an in-house initiative under his direction last year that resulted in the collection of approximately \$58,000 in delinquent sewer and refuse fees. This initiative was again done this year and has resulted in the collection of almost \$52,000 as of July. Currently, the Township has an approximate receivable of \$637,000 in delinquent sewer and refuse fees. This amount approximates 1/3 of a mill and requires a managed collection effort. In discussions with counterparts at the school district, they have voiced their satisfaction with Portnoff Law Associates, Ltd. with regard to the collection of delinquent real estate taxes.

Concurrently, Mr. Galdo inquired with Finance Officer Burns about the delinquent municipal real estate tax receivable and the lack of reports being issued to the Township by the County. Mr. Burns was able to get a data run from the County which indicates approximately \$556,000 in delinquent real estate taxes. The report appears to be only one year of delinquencies.

Mr. Galdo voiced his support for a more managed collection approach through the hiring of Portnoff Law Associates, Ltd. with regard to the collection of delinquent sewer and refuse fees, and delinquent real estate taxes. The approach will result in the reduction of receivables and better cash flow for the Township.

Accordingly, Michelle Portnoff, Esq., of Portnoff Law Associates, Ltd. was introduced and provided the Commissioners with a summary of Portnoff's efforts, answers to questions, and examples of collection efforts throughout Montgomery County.

Upon motion of Mr. Portner and approved by the Committee, Staff was directed to prepare a draft contract with Portnoff Law Associates, Ltd. and the necessary ordinance for an upcoming meeting.

3. Mr. Simon referenced Mr. Galdo's memo that was attached to the agenda and the continued need for the Township to do a yearly tax anticipation note.

4. Mr. Kraynik referenced a conversation with Jim Hunt of Berkheimer, in which he indicated that the removal of the current \$3,000 Earned Income Tax (EIT) Exemption would result in approximately \$16,500 to the Township (and \$16,500 for the school district). Mr. Kraynik has suggested consideration of this issue in another attempt to maximize revenues.

Former Commissioner Paul Greenwald and current Township representative assigned to the County EIT Collection Committee spoke on the issue and the recommendation of that committee to do away with the exemption for consistency purposes. It was noted that only eight taxing entities in the County have an exemption.

Mr. Haywood inquired about who was originally supposed to benefit from this exemption. Mr. Kraynik believes that it was originally meant for college-age students and retired residents who work part-time.

Mr. Sharkey inquired what would be the amount taken in by the Township if the exemption was at \$2,000 or \$1,000. Mr. Kraynik said he would inquire with Berkheimer.

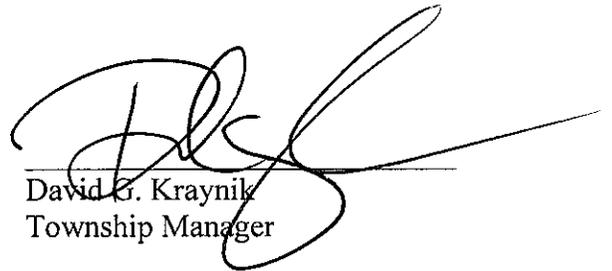
Upon motion of Mr. Portner and approved by the Committee (3 Ayes, 2 Nays), Staff was directed to prepare a draft ordinance for an upcoming meeting.

5. Old Business.

Mr. Simon referenced the amount of revenue being taken in for road opening fees as it relates to a recent presentation at the PSATC Conference. Mr. Kraynik mentioned that not only are we getting in excess of \$60,000 annually, there has been an increase in the amount of road resurfacing since the Township requires that the road be resurfaced either from curb to curb or one-half, depending on the extent of the work.

6. There was no new business.

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



David G. Kraynik  
Township Manager

Per: Joseph Galdo, Jr.  
Director of Fiscal Affairs

**PUBLIC ATTENDANCE LIST**

**Finance Committee @ 7:30 PM**

**Public Works Committee @ 7:45 PM**

**Wednesday, July 13, 2011**

**Curtis Hall**

**Wyncote, PA 19095**

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