

MINUTES

FINANCE COMMITTEE MEETING

October 20, 2015

PRESENT: Committee Members: Kline-Luker-Myers-Hecker-
Jones (7:05 p.m.)

OTHERS: Finance Director Barron
Township Manager LeFevre
Township Treasurer Blumenthal
Commissioner Sanchez

CALL TO ORDER: 7:00 p.m.

MINUTES:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to approve the minutes of the September 15, 2015 Finance Committee Meeting

MOTION was ADOPTED 4-0.

TOTAL EXPENDITURES:

The Committee reviewed voucher list for the month of September, 2015.

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend approval to the full Board of expenditures, salaries and wages for September, 2015 in the amount of \$4,203,094.36 and \$1,763,969.80, respectively.

Commissioner Jones questioned voucher #29753 – Rita Stevens.

Mr. Barron explained that was a reimbursement for expenses for supplies for the TD Green Street Project.

Commissioner Hecker asked is there an agreement between the Township and Aqua where the Township gets a discount or does Aqua charge the standard rate for each transaction?

Mr. Barron replied the Township does not receive a discount from Aqua.

Commissioner Myers questioned voucher #29706 – Greco Custom Carpentry Inc. – Lawn cuttings, and how payments are tracked for lawn cuttings of vacant properties.

Mr. Barron replied staff in his office handles that with staff of Code Enforcement Dept. If there is a frequent lawn cutting on a vacant property, we lien the property every third cut.

Commissioner Luker questioned voucher #29473 - Boston Mutual Life Insurance.

Mr. Barron replied the Township negotiated a new contract one year ago for life insurance and disability for Township employees with Boston Mutual.

Commissioner Jones questioned voucher #29409 – Communication Solutions - ATFD Full Service Public Relations.

Mr. Barron replied that is the company that helps the Fire Department with public relations such as recruiting, retention, social media, etc.

Commissioner Myers questioned whether that will be an ongoing service.

Manager LeFevre replied that started when the accreditation process began and the Fire Department has been recognized several times by State officials for having the best public relations and volunteer retention program in the State.

MOTION was ADOPTED 5-0.

CLEARING FUND/DEFERRED REVENUE/EXPENSE & PETTY CASH

Commissioner Kline made a MOTION, seconded by Commissioner Hecker to recommend approval to the full Board the Clearing Fund activity, Deferred Revenue/Expense activity and Petty Cash balances for the month of September, 2015.

Clearing Fund receipts and disbursements for the month of September, 2015 were \$869.81 and \$0.00, respectively.

Deferred Revenue/Expense receipts and disbursements for the month of September, 2015 were \$440,407.44 and (\$438,152.44), respectively.

Petty Cash balances were approved as presented.

MOTION was ADOPTED 5-0.

TRAINING AND CONFERENCE EXPENDITURES:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend approval to the full Board the Training and Conference Expenditures activity. Advance and Travel expenditures for the month of September, 2015 totaled \$0.00 and \$1,701.83, respectively.

YTD Training and Conference Expenditures totaled \$29,480.64.

MOTION was ADOPTED 5-0.

STATEMENT OF CONDIITONS:

The Committee reviewed statement of conditions for various funds.

CONTINGENGY EXPENSE REPORTS:

The Committee reviewed contingency expense reports.

OTHER MATTERS:

Board Action Request – Distribution of In-Lieu Fire Taxes for 2015:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend approval to the full Board to authorize an expenditure from Miscellaneous Expense in the Permanent Improvement Fund (account #07-00-000-5999) in the amount of \$72,825 to be distributed equally among the five volunteer fire companies serving Abington Township (\$14,565 each company).

Commissioner Kline clarified the in-lieu funds come primarily from the two hospitals and is this amount the same as last year?

Manager LeFevre replied that is correct and the amount is the same as last year.

MOTION was ADOPTED 5-0.

Third Quarter 2015 Budget Review:

GENERAL FUND –

Revenues:

Mr. Barron reported that revenues for the nine-month period that ended September 30, 2015 were \$31.2 million, or 85% of budgeted revenues. When comparing 2015 to 2014 revenues for the same timeframe, collections were above prior period by \$1.1 million.

Analysis of major revenue variations between 2015 and 2014 were reflected in the report provided to the committee.

Revenues for 2015 are estimated to be on-track with total budget forecast. At this time, the Township will not need to utilize fund balance pledged to balance the 2015 budget (\$521,932).

Expenditures:

Year-to-date expenditures are \$25.1 million or 64% of adjusted budget. This compares to \$24 million spent in 2014. The \$1,149,847 spending variance between 2015 and 2014 was summarized in a report provided to the committee. The 2015 operating budget (no fund balance expense activity) estimated expenses are expected to come in under budget in the range of \$400,000 to \$600,000.

SEWER OPERATIONS -

Revenues:

As of September 30, 2015, the Sewer Operating Fund revenue collections are slightly above with the prior year collections in both dollars, \$8.86 million, and percentages, 99% collected as compared to \$8.81 million and 97% in 2014.

The variation is traced to the collection of Sewer Rents for 2015. Sewer rent collections are down \$157,000 from third quarter 2014. Delinquent Sewer Rents are down \$25,000. Sewer rent refunds are up \$35,000. Offsetting this decrease is an increase in “Payments from Others” – up \$264,000 from 2014 collections. The 2015 budget was estimated at \$20,000 more than the actual amount billed. This fluctuation is caused by water usage (the basis for the sewer rent calculation).

Expenditures:

Year-to-date expenditures are \$6.1 million or 56.4% of adjusted budget as compared to \$4.8 million or 41.7% in 2014. The pattern for expenditures is consistent with the sewer fund historical data. The difference is in Bond Debt Principal and Interest.

REFUSE FUND –

Revenues:

Revenues collected through September 30, 2015 are \$6 million or 103.3% of budget and compare favorably to 2014 collections of \$5.2 million or 95.5% for the same timeframe.

The variation is tied to the increase in Refuse Fees and the timing of receipt of the State recycling grant. All other revenues are nearly equal to prior years.

Expenditures:

Year-to-date expenditures are slightly lagging in dollars spent last year, \$3.9 million (69%) as compared to 2014 expenses of \$4.0 million (69%).

Department expenditures are consistent with historical spending patterns and are on-track for the Refuse Fund.

Board Action Request – Resolution No. 15-036 – Increase in Real Estate Tax Certification Fee

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend to the full Board to adopt Resolution No. 15-036 increasing the fee collected by the Office of the Treasurer for providing real estate tax certifications from TEN DOLLARS (\$10.00) to THIRTY DOLLARS (\$30.00) per certification and an additional FIVE DOLLARS (\$5.00) for an expedited certification, beginning January 1, 2016. Said certification will cover the current tax year plus the previous three (3) tax years.

Mr. Blumenthal explained that as of now, tax certification is \$10.00 a year and most tax offices provide current tax year plus the back three and that gives a better picture of any interims that are still due or any back taxes still due and user fees such as sewer or refuse, and it will be a more complete report, which will cut down on error.

He suggested raising the cost from \$30.00 as listed in the motion to \$35.00 because he did an analysis of surrounding municipalities and \$35.00 is the average cost.

Commissioner Kline made a MOTION, to AMEND the MOTION to adopt Resolution No. 15-036 increasing the fee collected by the Office of the Treasurer for providing real estate tax certifications from TEN DOLLARS (\$10.00) to THIRTY FIVE DOLLARS (\$35.00) per certification and an additional FIVE DOLLARS (\$5.00) for an expedited certification, beginning January 1, 2016. Said certification will cover the current tax year plus the previous three (3) tax years, seconded by Commissioner Myers.

MOTION as AMENDED - PASSED 5-0.

Board Action Request - Funding Legal Fees

Commissioner Hecker made a MOTION, seconded by Commissioner Luker to recommend to the full Board to appropriate \$80,000 from fund balance for legal fees.

Mr. Barron explained that original budget for legal expenses was \$70,000, and to-date, the Township has paid \$76,000 to Rudolph Clarke for Colonade litigation, so he is requesting \$80,000 to cover legal fees for this year.

Commissioner Hecker asked for the line item budget for legal fees for next year.

Mr. Barron replied it will be the same budget, but will be increased by \$35,000 for labor attorney's fees for police arbitration.

Commissioner Kline said he will recuse himself from voting on this item.

MOTION was ADOPTED 4-0.

Discussion – Committed Funds for Grants:

Manager LeFevre said there are a few pending grants and a match component for the Township. In regards to the Noble and Crestmont Train Stations where there is a \$900,000 match required by the Township, that grant has been approved. There is also a grant pending for the Old York Road and Susquehanna project, which will require a \$600,000 match required by the Township. So assuming both grants are awarded to the Township, match required is \$1.5 million if we choose to proceed.

The property owner near the Noble Train Station has not fully committed to that project and the Crestmont portion is a parking lot for SEPTA with some crosswalk improvements and improvements on Rockwell Road. There has been an issue with overflow parking at the station resulting of parking in the neighborhood generating concerns for the ward Commissioner.

Since the fatal accident on Rockwell Road last December, the residents would like to see more pedestrian improvements made on that roadway.

He had a meeting with reps of SEPTA to explain that the Township may not be able to put funds towards their parking lot, but the Township could spend funds to make improvements on Rockwell Road. Reps of SEPTA felt they could get funds through various funding sources one being Act 89, which is the same source of the grant, so they cannot use their funding as a match for the grant. So that project could be removed and the Township could shift funds towards Noble, but would still be a \$900,000 match.

The other project at Old York Road and Susquehanna is a project improving two State highways, so the question is how much is the Township willing to commit to it.

Another complication is the revising of the Fund Balance policy with a minimum and maximum, although we could dip below the maximum if necessary, but no decisions need to be made tonight.

Commissioner Hecker said a financially reasonable plan needs to be made to improve pedestrian safety on Rockwell, and he would rather see the Board rally behind a one time investment than a longer term initiative of SEPTA's parking lot.

Commissioner Myers commented that in regards to the Crestmont Train Station property; those residents cannot find a parking space and they are parking on the street where it's posted "Two Hour Parking" and they are getting tickets. So she realizes that if SEPTA is not going to fix it, the Township has to. She understands that SEPTA is not willing to pay for it, but it is property in our Township and our residents are using that property.

The more vehicles taken off of Rockwell, the easier it would be to make pedestrian improvements on that roadway.

Manager LeFevre said no decisions need to be made tonight and just wanted to make the committee aware of it.

Commissioner Kline said he would like to further discuss what will be Township's obligation that will negatively impact the fund balance in the next four or five years as well as criteria to rate allocations of matching funds for grants.

Manager LeFevre said the firm of Simone-Collins Landscape Architecture, who is in the process of finalizing the master bicycle plan, indicated that there are funds available for implementation of bike lanes. Initially, we thought we had to wait until the plan was completed to apply for funding, but just having a draft plan the Township can apply now, and that firm provided a proposal to prepare applications for base amount of that grant and a separate application for the matching portion.

Proposal was in the amount of \$5,900, and if the Board does not want to accept their proposal, application for that grant will be done in-house, but we can cover that expense from administration/finance budgets.

Commissioner Myers asked for the amount of the grant.

Manager LeFevre replied \$250,000.

Commissioner Kline questioned whether any Board action is necessary to reallocate those funds?

Manager LeFevre replied no.

Consensus by committee was in favor of having Simone-Collins Landscape Architecture prepare grant applications for the Township.

Mr. Barron said in regards to current prescription plan for Township employees; he, along with Manager LeFevre contacted two other prescription managers for proposal to takeover as prescription benefit manager. We are hoping to keep the current company through December 31, 2015, but if that is not possible, we are requesting approval to change prescription benefit manager for Township employees.

Consensus by committee was to approve a change in prescription benefit manager for Township employees.

Mr. Barron said this item will be placed on the agenda of the full Board meeting in November.

ADJOURNMENT: 8:31 p.m.

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