



ADMINISTRATION & FINANCE COMMITTEE

April 21, 2014

7:30 p.m.

MEETING MINUTES

Call to Order: Chairperson Bunker called the meeting to order at 7:30 p.m.

Attendance:

- **Committee members present:** Chairperson Bunker, Councilor Danilak, Councilor L. Durkin, and Councilor Marlowe.
- **Committee members absent:** Councilor Golden.
- **Others present:** President Pancoe, Councilor Conners, Councilor Farrell, Mayor Foley, Manager Locke, and Assistant Manager Bashore.

Public Comment: There was no public comment at this time.

Presentation

Manager Locke stated that the Borough issued a request for proposal for a Sewer Rate Study. Manager Locke stated that four (4) proposals were received and the two (2) companies before the Committee this evening were selected based on their familiarity with the Borough's on-going construction work with Cheltenham Township.

- **David Busch, P.E. - Keystone Alliance:** David Busch, P.E., of Keystone Alliance appeared before the Committee in order to discuss his proposal for the Sewer Rate Study project. Mr. Busch provided sample reports to the Committee outlining the provisions of the report and the data that will be incorporated. Mr. Busch stated that the reports will include a narrative status and outline alternative financing options for the Borough's sewer system. Councilor Danilak asked about the number of alternatives that are outlined. Mr. Busch stated that the study will usually outline four to five alternative rate models. Mayor Foley asked about the variables that may be adjusted in order to determine the rate models. Mr. Busch stated that it would be an adjustment of fixed and variable costs. Chairperson Bunker noted a goal to encourage conservation, which may be effective on the variable side of the billing. Chairperson Bunker asked if guidance on this goal could be provided. Mr. Busch stated that he could provide guidance, but noted that it depends on how involved it becomes. Chairperson Bunker asked if the capital expenses related to Cheltenham Township would be included in the study and if rates would increase for a short period and then decline. Mr. Busch stated that debt incurred related to the project would extend beyond the scope of the study. President Pancoe asked if the actual infrastructure itself was going to be evaluated. Mr. Busch stated that it would not be, but the projections would include capital improvements. President Pancoe asked about the

factors that make the projections for municipalities different. Mr. Busch stated that in each municipality has its own history and future that factors into the rate study. The Committee thanked Mr. Busch for his presentation.

- **Charles Winslow, P.E. & Jeff Wendell, P.E. - GHD, Inc.:** Charles Winslow, P.E., and Jeff Wendell, P.E. of GHD, Inc. appeared before the Committee in order to discuss their proposal for the Sewer Rate Study project. Mr. Wendell noted GHD's work with Abington Township. Mr. Winslow stated that the project will involve meeting with Borough representatives, reviewing financial information, and how any potential rate increases are addressed. Mr. Winslow noted that the Borough's revenue is separated between 70% variable costs and 30% fixed costs. Mr. Winslow noted that the goal is to balance fixed costs with fixed revenue. Councilor Danilak asked about the number of rate models that will be used. Mr. Winslow stated that it depends on the approach, but it should not be more than five. Mr. Winslow noted that changes in variable costs would impact the revenue received by the Borough. Councilor Danilak asked about the breakdown of time on the study by the project team. Mr. Winslow stated that he and Mr. Wendell would utilize over 50% of the project time and the remainder would be from their colleague, Kristin O'Neill, P.E. Chairperson Bunker noted that a desire from the Borough is to encourage conservation and this may be at odds with this project. Mr. Wendell noted that moving rates closer to the fixed side will assist in encourage conservation while not impacting revenue. The Committee thanked Mr. Winslow and Mr. Wendell for their presentation.

Reports

- **Tax Collector:** A written report was provided by the Tax Collector. Chairperson Bunker requested that a narrative accompany future reports including discussion on such items as discounts and variances.
- **Rec. Board:** Richard Pescatore and Stephanie Berardi appeared before the Committee in order to discuss the current status of the Rec. Board. Mr. Pescatore presented a budget and reported on the April 19, 2014 Spring Egg Hunt. Mr. Pescatore noted that a budget is being prepared for the 2014 Summer Music Series. Chairperson Bunker requested that Mr. Pescatore appear at future meetings in order to discuss planned expenditures. Councilor Connors noted his appreciation to all the volunteers for their time with the Spring Egg Hunt. Mayor Foley asked if the Rec. Board has discussed how all the volunteers who have come out to support the Rec. Board may be involved. Ms. Berardi noted that everyone worked well together and they will look for people to hold different roles as different events come up. Mayor Foley asked if there has been any discussion on additional events. Mr. Pescatore stated that additional events have been discussed. Ms. Berardi noted a desire for additional cooperation with the Jenkintown Community Alliance (JCA). President Pancoe noted her support for increased collaboration between the JCA, Rec. Board, and Borough Council. The Committee thanked Mr. Pescatore and Ms. Berardi for their report.
- **JCA:** There was no report given.
- **Library:** A written report was provided with the monthly meeting materials.
- **Borough / School District Cooperative Initiatives:** Councilor Farrell reported that the school district's budget is being discussed and the proposed tax increase remains at 3.3%, but the

school board is working to lower the proposed tax increase. Councilor Farrell reported that there are two students interested in the Junior Council Person position. Assistant Manager Bashore stated that he will review the provisions of the resolution. Councilor Farrell reported that the school district is going to be seeking a variance for the installation of a higher fence around the basketball court. Manager Locke stated that the code allows six feet and he believes that the existing fence is under the maximum height allowed in the code.

Mayor Foley stated that the students versus police department softball game will be held on June 16 at the school baseball field.

Items of Discussion

- **March Financial Report:** A written copy of the March Financial Report was provided with the monthly meeting materials. Chairperson Bunker stated that the section discussing the real estate taxes was not clear and requested clarification. Chairperson Bunker asked about the Public Works expenditures, noting overtime expenses. Manager Locke stated that the Public Works Department is not over budget in regards to overtime, but the snapshot of the first quarter for 2014 is ahead of what was expended during the first quarter of 2013 due to the 2014 winter snow storms. Chairperson Bunker asked if there was concern of going over budget. Manager Locke stated that he is not concerned about going over budget.

Chairperson Bunker highlighted the Solid Waste Fund (09) and the discrepancy between 2013 and 2014. Chairperson Bunker noted that this was not discussed in the narrative and large changes should be called out in the narrative. The Committee directed the administration to research the reason for this discrepancy.

- **Proposed Ordinance #2014-5 - Rec. Board:** Chairperson Bunker noted that the proposed ordinance will increase number of individuals on the Rec. Board and adjust the terms will be from five years to three years.

ACTION: On motion of Councilor Danilak, seconded by Councilor L. Durkin, the motion recommending adoption of proposed Ordinance #2014-5 passed unanimously.

- **Proposed amendments to the Borough's Personnel Policy Manual:** Chairperson Bunker noted that he reviewed the proposed changes will amend definitions, address outside employment, amend the Borough's no smoking policy, and convert the Good Friday holiday into a floating holiday. Councilor Danilak asked if the no smoking policy should define a distance from buildings. Chairperson Bunker stated that the policy defines the distance as to not allow smoke to enter a building.

ACTION: On motion of Councilor L. Durkin, seconded by Councilor Danilak, the motion recommending the adoption of the proposed changes to the Borough's Personnel Policy Manual passed unanimously.

- **Inter-municipal Sewer Agreement:** Manager Locke reported that the last proposed changes have not been made by Cheltenham Township. Chairperson Bunker thanked the professional staff for preparing this draft. Councilor Connors stated that the Public Works Committee moved it to Council contingent on addressing the Borough's comments.

- **Board & Committee Appointments - Rec. Board:** Chairperson Bunker stated that four appointments will be made this month and additional appointments will be made if Ordinance #2014-5 is adopted by Council. Councilor Farrell stated that the school board has recommended two individuals for appointment.

ACTION: Councilor Marlowe made a motion to recommend the following appointments to the Rec. Board with the following terms: Connie Collins-Brick (12/31/14), Stephanie Berardi (12/31/14), Stephen Tolton (12/31/15), and Pamela Lynch (12/31/16). Councilor Danilak seconded the motion. There was no further discussion and the motion passed unanimously.

Old Business: There were no old business items to discuss.

New Business

- **Electricity Provider:** Manager Locke stated that the Borough has switched electricity providers and saved approximately \$400.00 in the first month. Manager Locke reported that the power is 100% wind energy, which has resulted in a reduction of 340 metric tons of carbon dioxide and the environmental benefit of removing 72 cars from the road.
- **Borough Hall Phone System:** Manager Locke reported that he has negotiated a withdrawal from Borough's contract with Line Systems and the contract will end in 60 days. Manager Locke reported that the Borough will be moving to Comcast Business for phone service, resulting in a savings of \$300.00 per month.
- **Workers Compensation Insurance Policy Renewal:** Assistant Manager Bashore reported that Borough's Workers Compensation Policy has been marketed and will renew on May 1. Assistant Manager Bashore stated that the Borough is looking at a \$4,000.00 premium increase due to the addition of two police officers. Assistant Manager Bashore stated that he and the Borough's broker are working with AmeriHealth to get a credit to reduce the premium to what was paid in the last plan year.

Adjournment: On motion of Councilor L. Durkin, seconded by Councilor Danilak, the motion adjourning the meeting passed unanimously.