ADMINISTRATION & FINANCE COMMITTEE
February 10, 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 Durkin, Councilor Golden, and Councilor Marlowe.

- **Committee members absent**: None.

- **Others present**: President Pancoe, Councilor Conners, Councilor Farrell, Manager Locke, Assistant Manager Bashore, and Code Director Frank.

- **Others absent**: Mayor Foley.

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

Presentation

- **Tesra Schlupp - PennVEST**: Tesra Schlupp from PennVEST appeared before the Committee in order to discuss financing options for the Borough's portion of the Cheltenham Township Sewer Project. Manager Locke stated that the total cost for the Borough's portion of the project is approximately $1.5 million. Ms. Schlupp noted that $40 million of PennVEST's allotment is grant funding and it is very competitive. Ms. Schlupp stated that the cut-off dates for the next 2014 board meetings are February 19 and May 14 and that the Borough will need to have any DEP permits approved at that time. Ms. Schlupp reviewed the process of determining the rate, the rates for Montgomery County, and funding amount the Borough would be eligible to receive.

Chairperson Bunker asked about the terms of the loan options. Ms. Schlupp stated that they are 20 year terms. Councilor Golden asked if CDBG funds had been used for this type project. Ms. Schlupp stated that she has seen CDBG funds used for these projects and noted that PennVEST funds may be used as a match for other programs. Councilor Danilak asked if the affordable rate for the Borough as a guideline for financing. Ms. Schlupp stated that the affordable rate is used to determine grant verses loan options.

The Committee thanked Ms. Schlupp for her presentation.
Reports

- **JCA**: This report was deferred to the Building, Zoning, & Revitalization Committee meeting.

- **Library**: A written report was provided with the monthly meeting materials.

- **Rec. Board**: There was no report given.

- **Borough / School District Cooperative Initiatives**: Councilor Farrell reported that the School District was holding a meeting in order to determine the best way to handle the missed days from the recent snow storms. Councilor Farrell noted that the School District is three (3) days over its snow day allotment for the school year. Councilor Farrell reported that the preliminary budget for the School District calls for a property tax increase and the final budget must be adopted by June 30, 2014.

Items of Discussion

- **January Financial Report**: A copy of the January Financial Report was provided to the Committee for review. Manager Locke noted that there were changes that needed to be made to the report, but were not made due to the short month between the meetings. Assistant Manager Bashore reviewed the following explanations on the report:

  1. The collection of non-resident earned income taxes was higher due to the tax disbursements not beginning until the third quarter of 2012 and funds from 2012 were disbursed at the beginning of 2013.

  2. Business privilege tax collection was lower due to a large payment for 2012 received by the Borough in the beginning of 2013.

Assistant Manager Bashore noted that the 2012 TRAN was not paid back until February 2013 and they have requested clarification the January 2013 General Fund cash balance from Linda Major. Manager Locke stated that these changes will be made to the report provided at the February Council meeting.

Councilor Danilak asked the expenses for snow removal used to date. Manager Locke stated that they are not over budget for snow removal and that the Borough has had to make purchases of road salt from alternate providers. Councilor Durkin asked about overtime. Manager Locke stated that all expenses are being tracked.

- **Shade Tree Commission Appointments**: President Pancoe made a motion to recommend the appointment of the following individuals to the Borough Shade Tree Commission with the corresponding terms:

  1. George Gazonas for a two (2) year term
  2. Daniel Gans for a one (1) year term
  3. Richard White for a one (1) year term
Councilor Danilak seconded the motion. There was no further discussion and the motion passed unanimously.

- **Proposed Budget Transfer Resolution:** Manager Locke stated that reviewed the proposed 2014 budget transfers, noting that the transfers are primarily for work that was anticipated to be completed in 2013, but was not finalized. Manager Locke noted that there was cash that rolled over from 2013 to 2014, and noting the expenses were for sewer expenses, the completion of the accessible ramps, and equipment purchases.

  **ACTION:** On motion of Councilor Golden, seconded by Councilor Danilak, the motion recommending approval of the proposed budget transfers passed unanimously.

- **Request for Purchase - Truck:** Manager Locke proposed the purchase of a maintenance truck for the Public Works Department that can also be used to plow the smaller streets in the Borough. Manager Locke noted that several small streets are being cleared by hand and that this would reduce the stress on the dump trucks, which would extend their lifespan. Manager Locke noted that the price would not exceed $15,000.00.

  Councilor Conners, as the chair of the Public Works Committee, noted that he supported the purchase as it would continue to emphasize safety and cost savings. Councilor Danilak asked how the truck would be utilized outside of the snow season. Manager Locke stated that it would be used to transport equipment and/or materials for larger jobs that the Borough's light-duty truck cannot safely accommodate. The Committee directed Manager Locke to purchase the truck once it is reviewed by the Public Works Committee.

- **Requests for Proposals:**
  
  a. **Accounting Services - Recommendation:** Manager Locke reported that there were approximately 12 requests for proposal distributed and two (2) proposals were received from Major & Mastro and Thomas Josiah Consulting. Manager Locke stated that Thomas Josiah Consulting is $10 per hour higher than Major & Mastro's proposal and recommended that Major & Mastro be reappointed as the Borough Accountant.

     The Committee determined that action would be deferred and requested that the proposals be distributed for review. This matter was tabled to the March meeting.

  b. **Sewer Rate Study - Update:** Manager Locke reported that there were approximately 25 requests for proposal distributed and four (4) proposals were received. Manager Locke stated that the proposals are still being reviewed and he hoped to present a recommendation at the March Committee meeting.

- **Inter-Municipal Sewer Agreement:** Manager Locke stated that the inter-municipal sewer agreement the language in the agreement has been agreed to and engineering is the final item to be completed.

- **2013 Financial Audit:** Manager Locke stated that the Borough Auditor has begun the 2013 Financial Audit for the Borough and has requested to meet with the President and Vice-President of Council to discuss the audit process.
• **Lindy parking stalls:** Manager Locke reported that Lindy Properties has approached the Borough about re-leasing the parking spaces in Town Square that the Borough previously leased. Manager Locke noted that the meters used in those spots previously have been used at other locations in the Borough. Councilor Marlowe asked about the cost of the new meters. Manager Locke stated that it would be approximately $500 per meter, but he has contacted Metric Parking about installing a kiosk in Town Square.

• **Proposal of parking lot purchases:** Manager Locke stated that the Borough has been approached about purchase two (2) lots at 425 York Road and behind Johnson Street. Manager Locke noted that he is working to set up a meeting with the owner to determine the cost. President Pancoe stated that the Borough previously leased the parking spaces at this location. Manager Locke stated that he will keep the Committee informed if this progresses.

• **Preliminary discussions on possible fund investments:** Manager Locke stated that he is exploring possible investment opportunities for Borough funds with large cash balances. Manager Locke stated that this would be a one to two year investment and he has spoken with the Fire Companies regarding investing the fire apparatus funds. The Committee directed Manager Locke to speak with banks and gather proposals, as well as speak with Linda Major regarding the different cash balances in the Borough's funds.

**Old Business**

• **Financial Report Format:** Councilor Durkin reported that she contacted Linda Major, but did not have an update at this time.

**New Business**

• **Business Privilege Tax Auditing Program:** Chairperson Bunker stated that there is discussion on implementing a business privilege tax auditing program. Manager Locke stated that Barbara Merilie will be giving a presentation at the March Committee meeting. President Pancoe asked if Berkheimer had been providing the requested registration information. Assistant Manager Bashore stated that Berkheimer has been providing the requested information. Chairperson Bunker requested a summarized report at the Committee meetings.

  Assistant Manager Bashore stated that he has spoken to Finance Directors at other municipalities in order to determine the effectiveness of the program. A summary report will be provided at the March meeting. Councilor Golden asked if a request for proposal would need to be issued. Manager Locke stated that a request for proposal would need to be issued for an auditing firm. Councilor Golden requested that the request for proposal be brought forward at the next Committee meeting. The Committee requested that the draft ordinance be prepared for next month's Committee meeting.

• **Tax Collector Report:** Manager Locke stated that the Tax Collector provided a report for the month. Chairman Bunker stated that he will contact the Tax Collector about appearing at the March Committee meeting.
Adjournment: On motion of Chairperson Bunker, seconded by Councilor Danilak, the motion to adjourn the meeting passed unanimously.