



ADMINISTRATION & FINANCE COMMITTEE

July 21, 2014

7:30 p.m.

Meeting Minutes

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

Committee Members Present: Chairman Bunker, Councilor Danilak, Councilor L. Durkin and Councilor Golden.

Committee Member Absent: Councilor Marlowe

Others Present: Councilor Farrell, Mayor Foley, Manager Locke, Accountant Major, Director of Code Enforcement/Public Works Frank and Chief of Police DiValentino

Public Comment:

Mary Anne Rushlau, 447 Cedar Street, expressed concern about her neighbors receiving letters from the Borough about various infractions and also she has never received anything from the Borough about what the requirements are. She questioned whether emails are sent about what the requirements are and also when new ordinances are passed.

Chairman Bunker replied as ordinances are passed, they are published in the Borough Code and the Borough's website has a link to the entire Borough Code. Proposed ordinances are also published in the newspaper announcing that they will be discussed and considered for enactment by Borough Council at its next meeting. Emails are not sent as they do not conform to State law.

Councilor L. Durkin added that Borough Council adopted the 2012 International Property Maintenance Code and that was published; however, property maintenance items such as sidewalk/curb repair, peeling paint and overgrown weeds are not new items included in the 2012 code. Links to the code can be sent to residents to make sure they understand their responsibilities as property owners.

Reports:

Tax Collector Report:

A written report was provided with the monthly meeting materials.

Councilor L. Durkin noted there is approximately \$200,000 to be collected to-date, and she asked about projections for the end of 2014 of that line item.

Accountant Major replied typically at the end of the year, there is a certain amount that is placed on a lien and she does not project that out. So based on figures from last year, she projects what will be done this year with liens in the same amount as last year.

Recreation Board: A budget has been provided.

JCA: No report.

Library: Manager Locke noted that he reached out to Library personnel and they had no report at this time.

Chairman Bunker asked to see a report by September in regards to the issues with the roof as well as fundraising for it.

Manager Locke indicated that he will follow up on it.

Borough/School District Cooperative Initiatives:

Councilor Farrell announced there will be a meeting held at the school tomorrow night beginning at 5:30 p.m.

Presentations:

Freedom Software:

Manager Locke noted that Councilor Golden inquired about other products that Freedom Systems can provide. We looked into how we can use their service to save time and money for the Borough, and beginning in August, solid waste bills will be sent out through Freedom Software. Previously, the cost to send out 1,700 solid waste bills was \$1.32 a piece, and through Freedom, the cost will be \$0.68 a piece. The product for Code Enforcement will manage the department and will save time.

Councilor Golden asked that during the presentation that it is explained what the Borough currently owns in terms of this software program and what the Borough is considering adding.

Bob Ahern, Senior Sales Manager for Freedom Systems, 2550 Eisenhower Avenue, Eagleville, PA.19403, said we have been in business for over 25 years with 300 clients in the Pennsylvania marketplace and local government software is what we do. Our focus is to help local government do more for less. Tonight, he will make a presentation on a product that can be used for Code Enforcement Department.

One of the benefits of our product is that it is one product for all departments, and we are developed in Microsoft, so it is easy to integrate into other Microsoft programs. It comes with a document management package and we provide free mapping interface through Google Earth.

Our company is located in King of Prussia and we will be onsite to train staff and we will also provide enterprise support. Currently, the Borough is using our Financial Management application as well as Revenue Management application. Land Management application is used by Code Enforcement Department, which something new that can be added to applications already being used.

We also will be providing postal management service and we partnered with a provider to obtain the lowest postal rate of \$.039, so we will print the bills for the Borough and mail them within 48 hours. It will be a cost savings for the Borough as well as a savings in labor.

Some of our clients provide tablets for Board members, so instead of printing packets of information, the reports are put in a drop box or the municipalities' website and then Board members are able to view that information.

We use the Cloud or Internet for our services and some of our clients have added portals to their website that allows residents to view outstanding bills and/or permits and be able to pay them online through a credit card process. We have seen a 30% increase in revenue collection once the municipality is open 24 hours a day.

We are Pennsylvania-based and all of our reports are Pennsylvania-specific, so the format of account codes that are State-required for reports is the way our software operates. Departmental reports can be taken directly from the application and, if it is not on the menu, contact us, and we will develop the report at no additional fee.

Some of our clients are using mobile offices such as a tablet or laptop in the vehicle along with a footprint printer where violations can be printed out right there and then.

The permitting system has a customized bill set and we also have just begun institution of a cashiering station. So if someone comes in with a bill, the bill would be held under the barcode reader and the transaction will come up on the screen along with any outstanding bills for that property owner and then they can pay with cash, check or credit card. If it is a credit card payment, the application goes directly to a third party PCI provider and that is at no cost to the Borough.

There is a convenience fee that the credit card company charges and two receipts are printed for the resident to sign and payment can be made.

Councilor Bunker clarified that when paying a bill, the resident receives two receipts for actual payment to the Borough and then there is a receipt for the convenience fee. Is that correct?

Mr. Ahern replied that is correct. Some of our clients indicated they would absorb the convenience fee as an organization.

Currently, the Borough owns the Financial Management and Employee Management applications that includes general ledger reporting; paying bills with accounts payable; an option for accounts receivable; and fixed assets application.

Other applications we provide that the Borough does not own are Revenue Management that includes utility billing; however, cashiering will be turned on over the next two weeks.

There is also Tax Management application that includes real estate taxes and per capita taxes and Manager Locke has asked that we cut out the real estate portion, so we are working on a proposal for that.

Land Management application includes permits and service requests for Code Enforcement Department. We contact the County for its database on tax duplicate file and we would build a parcel file for the Borough such as a spreadsheet, which can be sorted alphabetically or by tax identification number.

Councilor Golden asked about space for email addresses on the spreadsheet.

Mr. Ahern replied there is space for email addresses. As we create the parcel file, there is a free mapping product built into it and overlays can be created for the Borough.

Mayor Foley questioned whether the Borough could use this product to customize overlays over certain parcels.

Mr. Ahern replied yes. There is a product called, "ArcView" that most counties use and costs range between \$25,000-\$50,000. Google is going after that business, so Google is giving it away for free now, but will eventually charge for it. Borough Code officials could use it in the field using a cell phone connection, and the Borough can buy a professional version for \$250.

Chairman Bunker asked Manager Locke how are permits and service requests managed now within Code Enforcement Department?

Manager Locke replied we handle it using several spreadsheets that take a lot of time and we can only share documents via email.

Councilor Danilak said assuming the Borough will use this software and build a database, what would be the starting point?

Manager Locke replied the system would upload any previous code and building permits that the Borough has electronically. The system we currently have is less than desired as

it was bought 10 years ago for \$1,000 and the company went out of business eight years ago, so there is no way it can be updated.

Councilor Danilak clarified that we would not be building a database on every parcel in the Borough. Is that correct?

Mr. Ahern replied we would have every parcel from the county, but not every permit from historical standpoint.

Chairman Bunker said, so going forward there will be a date-specific such as of January 1, 2015 that the reports will be electronic, and before that, will be a paper copy.

Mr. Ahern explained how service requests and tracking violations are handled using the software system. There is also capability to write tickets and track information about the docket if it will go before the Magistrate. Also a certain amount reports could be produced showing the number of violations and types of violations on a historical basis.

Accountant Major asked whenever a citation is given would the system automatically create an account receivable.

Mr. Ahern replied if a penalty is associated with it, it would generate a general ledger transaction.

Chairman Bunker asked is there data showing productivity gains that other Boroughs may have seen from using a system such as this as opposed to manually?

Mr. Ahern replied consistency of information is the benefit of it. He does not have data on productivity gain increase in revenue at this time; however, he will look into it.

Mayor Foley asked about storage for data of the system.

Mr. Ahern replied it is local storage on the Borough's server, but we offer Cloud services at an additional fee. He continued to explain that licenses for contractors can be tracked in the system as well inspection information.

Councilor L. Durkin asked about the cost for development of the system for the Borough.

Mr. Ahern replied he provided a proposal to the Manager, which is available under State contract and applications are under \$15,000. We also bundle a certain amount of training, conversion and annual support services. The total would be about \$18,000 for permitting application including land management database, setting up parcel information through the County, onsite training and first year support.

Councilor Golden asked can this system track calls and show what the call was about as well as the response to that call?

Mr. Ahern replied yes.

Councilor Golden asked how this system is used for capital budgeting?

Mr. Ahern replied some of our clients still use spreadsheets and import directly into our application. We can send budgetary reports by departmental to Department Heads and they can put in their information and we would import that into the budget.

Items of Discussion:

June Financial Report:

Manager Locke reported that we reviewed payment that needs adjusting because TD Bank rep took out the wrong account. We exceeded projection on budget of Business Privilege Tax as well as Mercantile Tax.

Chairman Bunker noted that overall we are tracking close to budget.

Accountant Major noted that she provided a comparison of the BPT and Mercantile Taxes of prior year collections versus current.

Councilor L. Durkin commented that Berkheimer reps indicated that in terms of Act 511, the Borough will reach last year's number.

Police A/C Repairs:

Manager Locke reported that on a 92 degree day with repairs that have been made, the temperature can stay at 74 degrees. Energy audits show there is no insulation in the ceiling, so now the roof will be insulated with the break room, evidence room and hallways being done first. Since this is not a budgeted item, funds will be drawn from Code Enforcement Department's budget for materials and the work will be done in-house. Cost for repairs is \$2,000.

2015 Budget Planning:

Manager Locke reported that work has begun on a new layout showing cash along with budgeted amounts using the new Freedom Software.

Councilor L. Durkin asked that the asset management component be used as it an important part of our capital planning process.

Chairman Bunker asked for the status of the Taxpayers' Bill of Rights, which would lead into auditing businesses for per capita and Business Privilege Taxes.

Manager Locke replied Council passed the ordinance, and he has been working with attorneys of Friedman Schuman, who recommended sending out a request for

qualifications and to ask those who apply to provide a rate schedule. We should have a recommendation for Council at its meeting next week.

New Business:

Paving project loan/liquid fuels:

Manager Locke said the paving project loan has been previously discussed in committee. He met with the government division of TD Bank, and they were not able to provide a report by tonight's meeting and asked for more time. Preliminary, it would be a \$3,500 a month for 10-years for a loan in the amount of \$400,000.

Chairman Bunker commented that it is possible to borrow funds in anticipation of Liquid Fuels revenue coming in using it to pave the worst streets in the Borough, which is worthy of investigation.

Manager Locke noted that Liquid Fuels increased \$10,000 last year due to the new Transportation Bill. State officials anticipate over the next four years an increase of 60%; however, he has just begun investigating this matter.

PECO Paving Project:

Manager Locke reported that PECO has begun work in town; however, they do not anticipate doing restoration paving for eight weeks. He will need to obtain how they bid for that work making sure it meets Borough requirements. If it does not meet Borough requirements, we will put a spec together and send it out for bid.

Old Business:

Pension Boards:

Manager Locke said that Chris Bashore's term is expiring as member of the Pension Board, and the committee needs to recommend consideration to replace Chris. He placed himself for consideration of appointment on the Pension Board.

Councilor Golden made a MOTION, seconded by Councilor L. Durkin to recommend to Council to approve appointment of Manager George Locke as member of the Pension Board.

MOTION was ADOPTED 4-0.

Streetscape Grant Audit:

Manager Locke reported he met with reps of PennDOT and they indicated that the Borough should pay \$16,000 because the steel did not meet contract requirements. When

he met with Pennoni's Engineer, he indicated that the Borough should not pay for it, but that the vendor should have used the proper material. State Representative McCarter is looking in this matter to see whether the Borough could receive some type of assistance.

Chairman Bunker suggested giving State Representative McCarter time to investigate and respond.

Councilor Golden suggested also contacting Congresswoman Allyson Schwartz for assistance with this matter.

Manager Locke agreed.

Adjournment: Chairman Bunker made a MOTION, seconded by Councilor L. Durkin to adjourn the meeting.

MOTION was ADOPTED 4-0. Meeting adjourned at 9:08 p.m.

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