

MINUTES

FINANCE COMMITTEE MEETING

March 20, 2018

PRESENT: Committee Members: Chairman Kline-Vice Chairman Sanchez-
Luker-Vahey-Thompson

EXCUSED: Committee Member: Zappone

OTHERS: Finance Director Barron
Assistant Finance Director Hermann
Township Manager/Secretary Manfredi
Township Treasurer Blumenthal

MINUTES:

Commissioner Kline made a MOTION, seconded by Commissioner Sanchez to approve the minutes of the February 20, 2018 Finance Committee Meeting.

MOTION was ADOPTED 5-0.

PRESENTATION: None.

UNFINISHED BUSINESS:

Item FC-05-022018 - Budget Transfer Authorization-Funding for Library Chillers:

Commissioner Sanchez made a MOTION, seconded by Commissioner Luker to approve budget transfer authorization for the funding for library chillers to be reimbursed to the library.

MOTION was ADOPTED 4-0. Commissioner Kline opposed.

NEW BUSINESS:

Item FC-01-032018 – Motion to approve investments for February 2018:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend approval to the full Board investments for February 2018 in the amount of \$245,000.00 that was reviewed, approved as presented. It was noted that investments yield rate was 1.850%.

MOTION was ADOPTED 5-0.

Item FC-02-032018 – Motion to approve expenditures, salaries and wages for February 2018:

The Committee reviewed voucher list for the month of February 2018.

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend approval to the full Board, expenditures, salaries and wages for February 2018 in the amount of \$1,316,363.24 and \$1,934,566.13, respectively.

Commissioner Sanchez questioned voucher #46226 – Mary Silow.

Mr. Barron replied that was reimbursement to Mary Silow because one of the Township's trash trucks took down her mailbox.

Commissioner Kline questioned voucher #46256 – Code Inspections Inc., and asked for total cost paid for code inspections from the last six months to BCO Services.

Mr. Barron provided a spreadsheet of payments to BCO Services from the last six months for inspection services and plan review to the Finance Committee.

Commissioner Kline questioned voucher #46342 – Bruce Eckel – Legal Services.

Mr. Barron provided a spreadsheet of 2017 total payments to Bruce Eckel for legal services to the Finance Committee.

Commissioner Kline questioned whether stipulated services are included in Bruce Eckel's engagement letter.

Mr. Barron replied he will look into it.

Commissioner Kline questioned voucher #46403 - Land Concepts Group, LLC.

Mr. Barron replied that was for Ardsley Wildlife Sanctuary enhancements.

Commissioner Vahey questioned voucher #46302 – Wissahickon Clean Water Partnership.

Commissioner Kline explained that this is a consortium put together to react to DEP's TMDL (Total Maximum Daily Load) imposed upon the Wissahickon Watershed and DEP gave the 18 permit holders the ability to work together to come up with an alternative TMDL.

MOTION was ADOPTED 5-0.

Item FC-03-032018 – Motion to approve the Clearing Fund activity, Deferred Revenue/Expenses activity and Petty Cash disbursements for February 2018:

Commissioner Kline made a MOTION, seconded by Commissioner Sanchez to recommend approval to the full Board the Clearing Fund activity, Deferred Revenue/Expense activity and Petty Cash balances for the month of February 2018.

Clearing Fund receipts and disbursements for the month of February 2018 were \$19,789.01 and (\$13,073.37), respectively.

Deferred Revenue/Expense receipts and disbursements for the month of February 2018 were \$0.00 and \$0.00, respectively.

Petty Cash balances were approved as presented.

MOTION was ADOPTED 5-0.

Item FC-04-032018 – Motion to approve Training and Conference Expenditures-February 2018:

Commissioner Kline made a MOTION, seconded by Commissioner Vahey to recommend approval to the full Board the Training and Conference Expenditures activity. Advance and Travel expenditures for the month of February 2018 totaled \$0.00 and \$724.02, respectively.

YTD Training and Conference Expenditures totaled \$4,636.58.

MOTION was ADOPTED 5-0.

STATEMENT OF CONDITIONS:

The Committee reviewed statement of conditions for various funds.

CONTINGENCY EXPENSE REPORTS:

The Committee reviewed contingency expense reports.

FC-05-032018 – Resolution No. 18-017 – Appointing Delegate and Alternate Delegates for Tax Collection Committee:

Commissioner Kline made a MOTION, seconded by Commissioner Sanchez to recommend to the full Board adoption of Resolution No. 18-017 appointing Richard J. Manfredi as second alternate voting delegate for the Tax Collection Committee, effective April 13, 2018, due to the retirement of Michael LeFevre.

Executive Summary - Act 32 505-(b) – requires the governing bodies of townships, boroughs, cities and school district to appoint one voting delegate and one or two alternate delegates to be their Tax Collection Committee (TCC) representatives.

MOTION was ADOPTED 5-0.

2017 – Year-End Financial Review:

Mr. Barron noted this report is not final as the audit is not completed yet. If there are any drastic changes, he will inform the Board. Expense tracking was approximately \$1,076,140 unspent by departments at the end of 2017; revenues exceeded budget by \$3,238,890. Comparing 2017 to 2016 revenues were up \$435,011; expenditures were up 3.2% from 2016.

General Fund – (Modified Accrual Basis):

Original budget of revenues was \$38,026,723; actual was \$41,265,613 and \$3,238,890 over in revenues. Total Expenditures were \$38,026,723; adjusted budget of \$38,953,893 and actual was \$41,883,117 leaving a net decrease in fund balance of (\$617,504).

Fund Balance:

The Board has committed certain public works projects to be funded from fund balance resources.

Current standing of Fund Balance for the general fund:

Total Fund Balance as of 1/1/17 was	\$16,652,606
2017 New Activity	- 617,860
Financial Statements Total Fund Balance as of 12/31/17	\$16,034,746

Committed Public Works Projects

Project balances carried forward as of 12/31/17	(\$33,777)
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Estimated Financial Statements "Unassigned" Fund	
Balance as of 12/21/17	\$14,581,894
Fund Balance Reserve Policy per Board (1 month @8.5%)	(\$3,278,175)
Fund Balance Committed 2018 Budget	(0)

Available Fund Balance for future as of 1/1/18 \$11,303,719

Estimate Financial Statements "Unassigned" Fund	
Balance as of 12/31/17	\$14,581,894
Fund Balance Reserve Policy per Board (3 months @25%)	(\$9,834,526)
Fund Balance Committee 2018 Budget	(0)

Available Fund Balance for future as of 1/1/18 \$4,747,368

General Fund Revenues 2017:

Total revenues for the twelve-month period ending 12/31/17 were \$41.2 million, after removing the bond proceeds, representing collections of 108.5% of budget. Total revenues exceeded budget by \$3,238,890. Summarized comparison of budget to actual variances was reviewed as listed in the report.

Analysis of Major Variations:

Total variances to budget equaled 8.9% and analysis of major variances as compared to budget were as follows:

Real Estate Tax: (+\$761,532)
Delinquent Taxes: (+\$14,815)
Business Privilege & Mercantile Taxes: (+\$1,197,156)
Local Services Tax: (+\$179,982)
Earned Income Tax: (+\$357,156)
Deed Transfer Tax: (+\$306,550)
Fees, Licenses and Permits: (-\$25,681) as listed in the report
Investment Income and Rent: (+\$92,383)
Grants: (+\$621,648)
Fines and Forfeitures: (-\$6,177)
Program Revenues: (-\$262,528)
Other: (+\$157,885) was reviewed as listed in the report.
Fund Balance Forward: (-\$155,850)

General Fund Expenditures 2017:

Expenditures (without capital and transfers) for the twelve-month period ending 12/31/17 were \$35,912,837, representing 97% of the adjusted budget of \$36,988,077. Expenditures (with capital and transfers) total \$2.9 million more than adjusted budget. \$33,000 budget balances from special fund balance projects not yet completed.

During 2017, the Board adjusted original budget by \$.927 million from fund balance as listed in the report.

Prior Years Capital Project Balances Forward	\$.700 million
2017 Fund Balance Commitment - \$227,000	.227 million

Comparison of departmental adjusted budgets v. actual expenditures was reviewed as listed in the report.

General Fund Expenditures Analysis:

Major areas of budget differentials for General Fund were classified as follows:

- Wages and Benefits: (\$868,148)
- Bond Debt Interest: (\$58,184)
- Training: (\$20,719)
- Codifications: (\$10,805)
- Contingency: (\$30,489)
- Office Materials &Supplies (\$16,928)
- Equipment Maintenance & Repair: (\$69,078)
- Contracted Services: (\$74,244)
- Electric Gas: (\$31,404)
- Gasoline: (\$102,268)
- Uniform Expense (\$10,843)
- Equipment & Materials Purchase-Minor: (\$26,362)
- General Materials and Supplies: (\$11,464)
- Parks Activity expense: (\$32,993)
- Interdepartmental Allocation: (\$7,960)
- Transfers (New Fund Balance Policy: (\$4,038,284)
- Misc. Expense-Police Holiday: (\$349,679)

Sewer Operation Fund:

Original budget of revenues was 8,844,000; actual was \$9,130,355 and variance with budget was \$286,355. Total expense – actual was \$9,157,870. On a modified accrual basis, this year’s revenues were short of expenses by \$27,515.

Sewer Operations Revenues:

Revenues for the twelve-month period ending 12/31/17 were \$9,130,355 or 103.24% of budget estimate. Summarized comparison of budget to actual revenue collection was reviewed as listed in the report:

Payments from Other Governments: (+\$217,137)
Interest Income: (\$+20,739)
Refunds/Permits/Sale of Property (+\$33,310)
Sewer Rents (+\$12,000)
Delinquent Sewer Rents (+\$3,169)

Sewer Operations Expenditures:

Operating expenditures for the twelve-month period ending 12/31/17 were \$8,629 million (prior to completion of all full accrual entries) representing 97.6% of budget or \$214,263 unexpended (without capital projects). Comparison of budget to actual by program was reviewed as listed in the report.

Refuse Fund:

Original budget of revenues was \$5,782,381; actual collected/spent was \$6,161,895 and variances with original budget was \$379,514. On a modified accrual basis, this year’s operating revenues exceed expenses by \$837,905.

Refuse Fund Revenues:

Revenues for the twelve-month period ending December 31, 2017 were \$6.16 million or 106.56% of budget. Summarized comparison of budget to actual activity was reviewed as listed in the report.

Refuse Fund Expenditures:

Operating expenditures for the twelve-month period ending December 31, 2017 were \$5.6 million or 92% of budget (modified accrual basis). Operating expenditures were \$123,390 below budget. Comparison to budget to actual expenses was reviewed as listed in the report.

Discussion of Tax Collector Agreement and Increase of Commissions for 2019-2021:

Manager Manfredi noted agreement is retroactive to January 1, 2018 and request for increase is for the year 2019.

Tax Collector/Treasurer Jay W. Blumenthal added that 2018 will remain the same. In 2008, he agreed to help the budget for 2009 as there was going to be a shortfall, so he reduced his commissions by a half point on anything over \$3 million collected from Business Privilege and Mercantile Taxes. That reduction has been in effect, and to-date, his total reduction is approximately \$241,000.00 in lost revenue. He would like to bring it back up to 2.5% for the first \$3 million and, anything over that, he would get another half of a point up to 3.0% to cover expenses.

Following discussion, Commissioner Kline made a MOTION, seconded by Commissioner Sanchez to recommend to the full Board to adopt an agreement with Tax Collector/Treasurer Jay W. Blumenthal effective January 1, 2018 through December 31, 2021 increasing commission for collection of the Business Privilege and Mercantile Taxes to 2.5% for the first \$3 million, and anything above \$3 million, commission would be 3.0% as well as to maintain commission at 2.0% for collection of Local Service Tax.

MOTION was ADOPTED 5-0.

Discussion – Sewer Districts – Recording of Misc. Deeds v. Placing Liens:

Mr. Barron said it has been questioned why liens cannot be placed on properties when sewer work is done and those liens need to be placed within six months from when the project has been completed. Request is to draft a Board policy to lien all properties in sewer districts.

Manager Manfredi added that he would ask Township Solicitor to draft the policy and it will be verified if there is statutory authority without a resolution.

PUBLIC COMMENT: None.

ADJOURNMENT: 8:51 p.m.

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