

MINUTES

FINANCE COMMITTEE MEETING

June 18, 2019

CALL TO ORDER: 7:00 p.m.

PRESENT: Committee Members: Chairman Kline –
Vice Chairman Vahey-Luker-Zappone-Winegrad

OTHERS: Finance Director Hermann
Commissioner Rothman
Director of Community Development Strother
Public Works Department Micciolo, Jones

Note: Commissioner Luker stepped out of the meeting temporarily.

MINUTES:

Commissioner Kline made a MOTION, seconded by Commissioner Vahey to approve the minutes of the May 22, 2019 Finance Committee.

MOTION was ADOPTED 4-0.

PRESENTATIONS: None.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

Item FC-06-071119 – Consider a motion to accept the 2018 Township of Abington CAFR and Audited Financial Statements, Single Audit Report, Tax Office Financial Statements and Agreed Upon Procedures, as presented by Township Independent Auditors, Bee Bergvall and Company:

Jennifer McHugh, Bee Bergvall & Company, provided end of audit summary-December 31, 2018 consisting of reports of Township CAFR, which was incomplete; draft of Single Audit Financial Statement; completed Tax Office reports and District Justice Agreed Upon Procedures; Financial Statements, when completed, will be issued a clean opinion, which means it will be in compliance with County standards. Non-attest Services in preparing capital asset schedules; adjusted journal entries; prepared financial statements as well as DCED report.

Audit testing; 100% of the items were not tested, but the testing that was done, showed that the records were neat and orderly; staff was helpful and knowledgeable; there were multiple levels of control and good written procedures and policies. Accounting standards; future impacts - GASB statements - 87 leases implemented in 2020. Charts were provided on modified accrual basis of Governmental Funds revenues/expenditures with public safety being the largest expense in 2018 due to pension expenses; also other expenses were consistent. Proprietary Funds – revenues/expenses; sewer charges increase each year and refuse charges were consistent.

Commissioner Luker entered the meeting at 7:19 p.m.

Finance Committee discussed the CAFR being in draft form to-date and that it was not submitted to Finance Committee electronically prior to the meeting. CAFR needs to be submitted to the Government Finance Officers Association by June 30th. Also, discussed was revising the CAFR schedule next year.

Commissioner Kline made a MOTION, seconded by Commissioner Vahey to pass Item FC-06-071119 onto the full Board without recommendation as the CAFR is currently in draft form and that it should be disseminated to Finance Committee by the end of this week.

MOTION was ADOPTED 5-0.

Item FC-01-071119 – Consider a motion to approve investments for the month of May:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to approve investments for the month of May 2019. It was noted that investments for the month totaled \$782,877.50. Interest rate yields ranged from 2.400% to 2.450%.

MOTION was ADOPTED 5-0.

Item FC-02-071119 – Consider a motion to approve expenditures, salaries and wages for May 2019:

Commissioner Kline made a MOTION, seconded by Commissioner Vahey to approve the May expenditures in the amount of \$5,895,847.65 and salaries and wages in the amount of \$1,894,741.00 and authorizing the proper officials to sign vouchers in payment of bills and contracts as they mature through the month of August 2019.

Commissioner Kline questioned voucher #54616 – All Classics LTD.

Ms. Hermann replied that was for bronze statues paid with War Memorial project funds.

Commissioner Kline questioned voucher #54668 – LL Bean Direct to Business Inc.

Ms. Hermann replied that was for the Abington Fire Department's Dave Schramm and his staff as they purchased fire department logo shirts to wear at recruitment events.

Commissioner Kline questioned voucher # 54752 – Rebmann, Maxwell & Hippel LLP.

Ms. Hermann replied they were retained to perform review work related to the Old York/Susquehanna Roads project.

Commissioner Kline questioned voucher #54877 – North Penn VFW.

Ms. Hermann replied that was the fundraiser for War Memorial project.

Regarding Rudolph Clarke LLC invoice; a rep from their office attended a hearing to provide documentation in a matter of litigation and that was their fee related to the court hearing.

Commissioner Kline questioned voucher #55189 – Bruce Eckel.

Ms. Hermann replied that was the fee outside of retainer for attendance in court on behalf of the Township.

Commissioner Vahey asked about lump sum payments on bonds and questioned the structure of it.

Ms. Hermann replied she will report back on it.

Commissioner Winegrad asked about the fire tax as expenditure.

Ms. Hermann replied it is collected by the Township and divided between the five fire companies.

Commissioner Winegrad questioned voucher #54657 Glasgow, Inc.

Mr. Jones replied the main parking lot of Alverthorpe Park was patched.

Commissioner Winegrad questioned voucher #54719 – EAW Security and also asked about landscaping of the different zones.

Ms. Hermann replied that cameras were added to the police parking lot.

Mr. Micciolo added that there are four zones split between two vendors who have the mowing contract and they are paid on a monthly basis.

Commissioner Winegrad questioned voucher #54895 – Rudolph Clarke – Baederwood.

Ms. Hermann replied that is an ongoing matter and outside of retainer.

MOTION was ADOPTED 5-0.

Item FC-03-071119 – Consider a motion to approve Clearing Fund activity, Deferred Revenue/Expenses activity and Petty Cash disbursements for May 2019:

Commissioner Kline made a MOTION, seconded by Commissioner Vahey to approve the Clearing Fund, the Deferred Revenue/Expense activity and Petty Cash balances for the month of May. Clearing fund receipts and disbursements for the month of May 2019 were \$33,517.04 and (\$29,842.89), respectively. Deferred Revenue/Expense receipts and disbursements for the month of May 2019 were \$0.00 and (\$14,000.00), respectively.

Commissioner Winegrad questioned item SPS WWTP.

Ms. Hermann replied SPS pays the Township and then a portion is paid to Cheltenham and that is handled quarterly.

MOTION was ADOPTED 5-0.

Item FC-04-071119 – Consider a motion to approve Training and Conference Expenditures, May 2019:

Commissioner Kline made a MOTION, seconded by Commissioner Vahey to approve the Advance and Travel Expense activity for May 2019. Advance and Travel Expense reports were \$600.00 and \$4,897.37, respectively. Five-month expenses totaled \$28,600.21.

Commissioner Vahey questioned the number of officers who attended TAC with FBI Training.

Ms. Hermann replied ten officers.

MOTION was ADOPTED 5-0.

STATEMENT OF CONDITIONS:

Finance Committee reviewed Statement of Conditions for various funds.

CONTINGENCY EXPENSE REPORTS:

Finance Committee reviewed Contingency Expense reports.

Item FC-07-071119 – Consider a motion to accept a grant from the PA DCED for the HOME Investment Partnership Program in the amount of \$400,000.00:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to accept a grant from the PA Department of Community & Economic Development (DCED) in the amount of \$400,000.00. This grant is to fund the Township’s Owner-Occupied Rehabilitation Program. This motion shall also authorize the President of the Board of Commissioners and the Township Manager to sign and return the contract (and all other related documents) to DCED.

Mr. Strother said the Township operates an Owner-Occupied Rehabilitation Program that has a massive waiting list to have their homes repaired driven by income-qualified, and the list is addressed with CDBG funds. The average home renovation cost is approximately \$50,000-\$60,000, and a rehab specialist inspects the home and there is a bid process with the lowest bidder awarded and all work is code compliant. This grant was applied for in 2018 and we were successful in receiving it and Board approval is needed to accept the grant.

MOTION was ADOPTED 5-0.

Item FC-08-071119 was removed from agenda.

Item FC-09-071119 – Consider a motion to consider appropriating \$150,000.00 from Fund Balance for Fox Chase Road and Pond View Drive:

Commissioner Kline said proposed is to pave a portion of Fox Chase Road, which has not been budgeted for and appropriation would need to come from Fund Balance.

Commissioner Rothman said he drives Fox Chase Road frequently and condition of the road is bad especially certain areas from Meetinghouse out to Cedar. Although Fox Chase is not in the plans to be paved at this time, and he understands it is a significant amount of money, but if something is not done, it will be a real “mess” this winter. He is here this evening to advocate on behalf of his residents as well as a few other Commissioners whose residents have asked about it since it is a road heavily-traveled. Pond View is crumbling and deteriorating due to the parking of heavy construction vehicles and should be considered. Also, a memo from Mr. Micciolo dated June 12, 2019 was provided to Finance Committee regarding Fox Chase Road overlay including costs.

Mr. Micciolo said there is \$30,000 from Aqua to pave Meetinghouse down to the corner of Pond View, so needed is \$150,000 to pave the entire stretch of roadway. It makes sense to continue onto Pond View while paving Fox Chase Road.

Commissioner Kline expressed concern about “eating away” at the fund balance and dipping below the three-month threshold of the fund balance policy. He would rather see it be part of the budget and considered as a total package.

Commissioner Rothman agreed; however, it will be a bad winter for motorists driving on that roadway, and he has never once asked for money in four years, but this time he feels it was warranted.

Commissioner Luker questioned whether it is being proposed to be done this year.

Commissioner Rothman replied yes, that is the goal.

Commissioner Vahey asked what percentage of paving budget was covered by Aqua this year?

Mr. Jones replied everything.

Commissioner Vahey asked how many years has that been the case?

Mr. Jones replied this is the second year that it has been fully covered. Fox Chase is at the top of the list for patching.

Commissioner Luker questioned whether there are any items pending at this time that need to be considered to be paid for from fund balance.

Ms. Hermann replied none at this time.

Commissioner Vahey asked for the amount of fund balance.

Ms. Hermann replied she does not have that information at this time; however, there is funding available, but it is limited due to the fund balance policy. When there is a “hit,” it changes the budget in what will be allocated for capital, which is always the Board’s decision.

Commissioner Winegrad questioned whether this roadway is a serious public safety hazard and would there be any savings if done now?

Mr. Jones replied it is always possible that something could happen. Savings will be that we will already be there when Aqua works on their portion. We would need to remobilize equipment next year and cost of material increases every year.

Commissioner Kline suggested doing all of the paving work next year.

Mr. Jones replied the intersection of Meetinghouse and Fox Chase is in bad shape.

Commissioner Kline said Aqua is doing work now on Meetinghouse, but will that be ready to be paved this year?

Mr. Jones replied probably not.

Commissioner Winegrad said if funds were approved when would the work begin?

Mr. Jones replied sometime in July.

Commissioner Zappone expressed concern about setting precedent because this item is not in the budget and it is not right.

Commissioner Kline said the budget is to plan ahead and stay within the Township's means and his concern is that it is deficit spending because funds would come from fund balance and not replenished.

Commissioner Rothman shared that concern, but the process has been accelerated and it cannot wait until next year.

Commissioner Luker made a MOTION to recommend approval to move forward in-lieu-of that fact that there were similar situations that required immediate attention in other wards. There was no second on the motion. Motion failed.

PUBLIC COMMENT: None.

ADJOURNMENT: 8:32 p.m.

Respectfully submitted,

Liz Vile, Minutes Secretary