

**MINUTES**

**FINANCE COMMITTEE MEETING**  
**(via Zoom webinar)**

**May 19, 2020**

**CALL TO ORDER:** 7:09 p.m.

**PRESENT:** Committee Members: Vahey Chairman-Winegrad Vice  
Chairman-Luker-Myers-Carswell

**OTHERS:** Finance Director Hermann  
Township Manager Manfredi  
Community Development Director Strother

**APPROVAL OF MINUTES:**

Commissioner Vahey made a MOTION, seconded by Commissioner Winegrad to approve the minutes of February 18, 2020 Finance Committee Meeting.

MOTION was ADOPTED 5-0.

**PRESENTATION:**

Manager Manfredi thanked Emergency Management Coordinator Tom McAneney, Community Policing Coordinator Michael Rubin, Lt. Tom Scott and Community Development Director Van Strother for their assistance with obtaining cleaning supplies and PPE in which \$69,389.81 has been spent to-date related to those items as well as personnel costs in response to COVID-19. No infraction of any orders or directives is being taken lightly as everyone's health and safety is most important. The Township has been open for business, and although it's been a transition during this difficult time, everyone is doing a great job.

From the onset of the pandemic, we began looking at reduction in hours of part-time and fulltime employees, and from April 1<sup>st</sup> until May 31<sup>st</sup> a total of 126 part-time employees were reduced or eliminated temporarily resulting in reduced costs of approximately \$118,000. 13 fulltime employees were furloughed reducing costs by approximately \$12,000 for a total of \$130,000. Projected is a hiring freeze with essential spending only and all of the reductions will be until July 31<sup>st</sup>. If pools do not open and park programs do not go forward, that part-time employee number will increase and the number of fulltime employees will remain, but continued to be evaluated.

The Township collects Business Privilege, Mercantile and Earned Income Taxes and the greatest impact on the Township's revenues will be from Business Privilege Tax in the next fiscal year. He is in the process of reaching out to key business owners to discuss their projections so we can have a better model going forward.

In April 2019, the Township collected in Business Privilege Tax approximately \$1,073,000, and in April 2020 approximately \$818,000. In regards to the Mercantile Tax; in April 2019 was approximately \$882,000 and April 2020 approximately \$556,000.

Regarding Earned Income Tax; this is one that will be more difficult to predict and the State is recommending that this will be impacted by 75% for a 90-day period, although in August there may be a small rebound. Capital spending projects will not be prioritized and \$1.2 million has been frozen in capital.

Also, \$85,000 was appropriated for traffic safety, which is important to the Township and it has not been finalized. Grant projects are being frozen with an eye to not moving forward at all. There are other critical areas being reviewed with respect to capital projects to provide level of service that residents are accustomed to. Every department has done an excellent job in terms of cutting operations and personnel. The Board previously passed a fire tax to help fund the fire department's five-year plan and that is dedicated revenue that cannot be cut. New development projects that have been in the pipeline will be very important going forward.

The August 1, 2020 furlough date is based on criteria provided by Mr. McAneney; also revenues as well as businesses that will be able to reopen and generate income. There is hope that conditions will improve and there will be reopening in the second half of the year.

Commissioner Vahey said in regards to the freezing of capital spending; how much will the Township save in this fiscal year?

Manager Manfredi replied the total is \$5.1 million, but \$1.563 is fire capital and non-fire capital is \$3.544, so he is projecting freezing \$1.23 million.

Commissioner Winegrad questioned whether the State will return COVID-19 related expenses of approximately \$69,000.

Manager Manfredi replied he expects to get all of it back.

Commissioner Winegrad asked how will expenses related to COVID-19 be paid for?

Manager Manfredi replied from department budgets, and if not, it will need to be taken from contingency.

Commissioner Winegrad asked about the Township's cash flow and if dipping into the fund balance will be needed.

Manager Manfredi replied we are not dipping into fund balance at this time.

Ms. Hermann replied she monitors cash flow regularly and it is fine right now. As we get into July when tax revenues are due, we will know more.

Commissioner Winegrad questioned whether the Township will look into taking out bonds to make up for deficiencies.

Manager Manfredi replied if there is any way to avoid debt of any kind that would be preferable; however, we will monitor to see whether we need to improve our position.

Commissioner Myers questioned whether there will be any other furloughs in the short term.

Manager Manfredi replied it is undetermined and the hope is to not have to make any other furloughs this year.

Commissioner Myers asked if the fulltime employees who were furloughed still receiving health benefits, and if so, how long will that continue.

Manager Manfredi replied yes, and there is no intention of taking benefits away from those fulltime employees. If anything changes he will let the Board know.

Commissioner Myers said if that does change she would like that to be looked at closely as it can be devastating.

Commissioner Vahey asked for any public comments.

Lora Lehmann, 1431 Bryant Lane, asked for the presentation to be posted online and also about various expenditure items.

Commissioner Vahey asked Ms. Lehmann to prepare her questions about expenditure items in an email to be addressed.

Investments:

Commissioner Vahey asked for further explanation on investments.

Ms. Hermann replied in the month of April only investments that matured totaling \$1.416 million was pulled over possible concern of future cash flow issues and put into Republic Bank at a lower interest rate.

Item FC-01-061120 – Consider motion to approve expenditures, salaries and wages for April 2020:

Commissioner Vahey made a MOTION, seconded by Commissioner Myers to approve the April 2020 expenditures in the amount of \$1,499,137.01 and salaries and wages in the amount of \$1,842,869.05 and authorize the proper officials to sign vouchers in payment of bills and contracts as they mature through the month of July 2020.

Ms. Hermann said there were questions sent by Commissioner Vahey prior to the meeting regarding the refuse truck. It was originally approved as capital items from Refuse Fund in 2019 for a “body and chassis” that was ordered in early 2019, but it was not received until the beginning of 2020, and the bill was paid in April.

Commissioner Myers questioned voucher #61243 – Rudolph Clarke, LLC.

Ms. Hermann replied the Township only pays the monthly retainer each month. She will look into it further and provide clearer details on that invoice.

Commissioner Vahey asked for any public comments.

Lora Lehmann, 1431 Bryant Lane, asked for information on bills submitted by Rudolph Clarke.

MOTION was ADOPTED 5-0.

Item FC-02-061120 – Consider a motion to approve the Clearing Fund activity, Deferred Revenue/Expense activity and Petty Cash disbursements for April 2020:

Commissioner Vahey made a MOTION, seconded by Commissioner Myers to approve the Clearing Fund, the Deferred Revenue/Expense activity and Petty Cash balances for the month of April 2020. Clearing fund receipts and disbursements for the month of April 2020 were \$352.48 and (\$156.36), respectively. Deferred Revenue/Expense receipts and disbursements for the month of April 2020 were \$27.00 and (\$0.00), respectively.

Commissioner Vahey asked for any comments from Commissioners. There were none.

Commissioner Vahey asked for any public comments. There were none.

MOTION was ADOPTED 5-0.

Item FC-03-061120 – Consider a motion to approve Training and Conference Expenditures for April 2020:

Commissioner Vahey made a MOTION, seconded by Commissioner Luker to approve the Travel Expense activity for April 2020. Travel Expense reports were \$3,033.15 and four-month expenses totaled \$14,178.80.

Commissioner Winegrad questioned Dave Schramm's conference attendance in March 2020.

Ms. Hermann replied that was prior to the official pandemic when only essential spending was ordered including conference cancellations.

Commissioner Vahey clarified that refunds will be provided for all pending conferences. Is that correct?

Ms. Hermann replied yes. Her team is working on canceling all pending conferences and monitoring to make sure the Township receives refunds.

Commissioner Vahey asked for any public comments. There were none.

MOTION was ADOPTED 5-0.

STATEMENT OF CONDITIONS:

Finance Committee reviewed Statement of Conditions for various funds.

Commissioner Vahey commented there are appropriations from years past listed under Permanent Improvement Fund and it appears they have not been cleared from the account.

Ms. Hermann replied we are closing as many items as possible from years past and approximately \$3 million dollars worth of items have been closed.

Commissioner Vahey asked about the funds from those projects.

Ms. Hermann replied those funds will be unreserved and will be reflected in future financial statements.

Manager Manfredi added there were hundreds of thousands of dollars committed for projects going back to years 2014-2017 that were approved in those fiscal years, but for whatever reason did not move forward. We are no longer going to hold projects from previous years and hold those dollars.

Commissioner Vahey questioned whether those funds will be moved to Township's fund balance.

Manager Manfredi replied monies saved in capital could be reserved for future capital projects or appropriated back to the general fund or to the fund balance and that will be a decision and action by the Board of Commissioners.

Commissioner Carswell noted there are 2020 items labeled for grants and/or match for grants, and how much remains from previous projects that will be closed out?

Manager Manfredi replied we are in the process of finalizing that number and he will report back on it.

CONTINGENCY EXPENSE REPORTS:

Finance Committee reviewed Contingency Expense reports.

Commissioner Vahey asked for any comments from Commissioners. There were none.

Commissioner Vahey asked for any public comments.

Lora Lehmann, 1431 Bryant Lane, commented that anything that is not used should go back to the fund balance.

Discussion – Proposed FFY 2020 CDBG Budget:

Community Development Director Van Strother said on February 14, 2020, the Federal government announced allocation of CDBG funds to grantees nationwide and Abington Township was allocated \$789,251.00 for FY 2020 in which there is a process for that award. Several months ago, he was tasked to provide a master list of eligible CDBG projects that will continue to grow and that has been shared with the Township Manager.

20% of the funds are permitted to be put towards all administrative costs related to the project including his salary and no tax dollars are used to administer this program.

Projects need to be shovel-ready, not dependent on any other approvals and be a HUD-eligible activity, and there are six curbing projects on the list. Once the Board decides on what project they would like to do, then an engineer would be hired to contract documents to be sent out for competitive public bidding.

Commissioner Vahey said he is not convinced that curbing projects would be the best use of CDBG funds and he would like to hear about other options.

Mr. Strother replied that projects need to be able to be completed within one year to 18 months and shovel-ready so as to use the funds within the FY that is being considered. CDBG funds come from HUD, which is housing and they want the housing need to be responded to. Abington Township has an affordable housing provider, which is the Willow Grove Community Development Corporation that has responded to the need of housing in our area.

Commissioner Vahey commented that we cannot perform due diligence without knowing about all of our options.

Manager Manfredi suggested refining all of the information to be presented to the Finance Committee.

Commissioner Carswell asked about projects being done during the COVID-19 pandemic in terms of families being displaced for safety reasons.

Mr. Strother replied the Township has a rehab specialist who makes a comprehensive list of repairs needed for the home to make it stable for the income-eligible homeowner. The driving force behind the homeowner repair program is to bring the home into code compliance.

Commissioner Carswell asked for guidance on any challenges with projects on the master list.

Mr. Strother replied the tried and true manner in which projects are done is based on chronological order, and if the homeowner is deemed income eligible, then we would move forward. The Township is obligated to follow defined procedures that the Federal government has set out and there is no deviation from it.

Commissioner Vahey asked to see other options other than the curbing projects as he is not convinced that is the best use of the funds. He asked for any public comments.

Lora Lehmann, 1431 Bryant Lane, commented that she is happy to hear that an overview will be put together and the list should be available to residents.

Item FC-04-061120 – Consider a motion to ratify and approve the reduction in fee for the Ardsley Day Care Center:

Commissioner Vahey asked what the 50% reduction in fee would amount to.

Manager Manfredi replied the operator of the Ardsley Day Care Center saw a complete loss in revenue when it was shutdown and has requested to reduce their fee by 50% to the Township. Following review, it is more of a facility-use fee that the Township charges in rent to the Ardsley Day Care Center. It is a request in reduction of fee rather than an amendment to a lease agreement and he does not have the authority to grant the request.

Ms. Hermann noted it is approximately \$19,000 per month.

Commissioner Luker questioned the amount of time the reduction of fee is being requested.

Manager Manfredi replied the request was for as long as they are closed; however, if daycares are not reopened in July, he suggested revisiting the matter in August.

Commissioner Vahey said he is in support of the request.

Commissioner Myers agreed with Commissioner Vahey as she feels it is a fair amount. PAL has also requested a reduction in rent for use of its facility (not a Township-owned facility) up to and including the month of September and then it will be revisited at that time.

Commissioner Winegrad questioned whether the daycare is up-to-date with its payments to the Township.

Ms. Hermann replied yes.

Commissioner Winegrad expressed concern that if it is reduced for this facility then the Township will need to do that for all facilities.

Manager Manfredi replied this is the only facility that he is aware of that is not under an agreement.

Commissioner Carswell suggested there should be a more formal agreement especially since it involves minors.

Manager Manfredi replied that is the intent.

Commissioner Winegrad asked about a defined time period for reduction.

Manager Manfredi replied if it is recommended by the Committee to approve reduction of fee by 50% for each of the next three months it would then be revisited in August and that would be the motion forwarded to the full Board of Commissioners at its meeting in June.



Commissioner Vahey suggested ratifying the reduction of fee through the month of July and then revisit it at the July Finance meeting based on the status of daycares at that time.

Commissioner Myers commented that by extending it to whatever we feel is fair may save the business and tenants everywhere are making this type of request.

Commissioner Winegrad said he appreciates that the owner is making payments and are a valued member of the community and we do want to see them go out of business, but there needs to be a definite term.

Commissioner Myers agreed with having a deadline, but she is asking for flexibility as we do not know how long this situation will last.

Ms. Hermann noted that the Finance Committee does not meet in July.

Commissioner Vahey made a MOTION, seconded by Commissioner Carswell to ratify and approve the reduction in fee by 50% for the Ardsley Day Care Center to be reconsidered at the August Finance Committee Meeting.

Commissioner Vahey asked for any public comments.

Lora Lehmann, 1431 Bryant Lane, questioned whether committee meetings will be held in June.

Manager Manfredi replied if there are agenda items for the committees then meetings will be held, although they may not be held on the same night because of the way Zoom works.

MOTION was ADOPTED 5-0.

**PUBLIC COMMENT – general finance matters:**

Lora Lehmann, 1431 Bryant Lane, expressed concern about fees for code inspection.

**ADJOURNMENT:** 9:19 p.m.

Respectfully submitted,

Liz Vile, Minutes Secretary