

MINUTES

FINANCE COMMITTEE MEETING

February 21, 2017

PRESENT: Committee Members: Kline-Luker-Sanchez-Hecker-Farren

OTHERS: Finance Director Barron
Assistant Finance Director Herman

CALL TO ORDER: 7:04 p.m.

MINUTES:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to approve the minutes of the January 17, 2017 Finance Committee meeting.

MOTION was ADOPTED 5-0.

INVESTMENTS:

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend approval to the full Board investments for January, 2017 in the amount of \$490,000.00 that was reviewed, approved as presented. It was noted that investments yield rate ranged from 1.00% to 1.400%.

Mr. Barron said it was discussed at the last meeting about researching certain banks being affiliated with specific organizations that the Township would not approve of, and he spoke with several brokers who did not have any information about that. We are still looking into it.

MOTION was ADOPTED 5-0.

TOTAL EXPENDITURES:

The Committee reviewed voucher list for the month of January, 2017.

Commissioner Kline made a MOTION, seconded by Commissioner Luker to recommend approval to the full Board, expenditures, salaries and wages for January, 2017 in the amount of \$2,597,404.83 and \$2,232,790.33, respectively.

Commissioner Sanchez questioned voucher #38672 – Comtec.

Mr. Barron replied that was for fire inspection of IT room.

Commissioner Sanchez questioned voucher #38741 – Fitness Machines Technicians and where fitness machines are located.

Mr. Barron replied fitness machines are located in the police department where there is a fitness center.

Commissioner Sanchez questioned voucher #38773 – Zonar.

Mr. Barron replied Zonar is the GPS system for the highway/refuse department to track where the vehicles are located.

Commissioner Sanchez questioned voucher #38968 – ER Reimbursement.

Mr. Barron replied under arbitration agreement, if a police officer is admitted to the hospital, Township reimburses up to \$500 co-pay.

Commissioner Farren questioned voucher #38734 – Rudolph Clarke, LLC, and asked for clarification as to whether it is for Edge Hill Pre-Litigation and/or Colonade Litigation.

Mr. Barron replied because it is the same vendor it is listed together, but it is two separate invoices.

Commissioner Farren questioned voucher #38771 – John Walko Esq.

Mr. Barron replied John Walko is the Township's Hearing Officer for red light camera violations.

Commissioner Farren questioned voucher #38897 – De Lage Landen Financial Service and clarified that this company provides copier services. Is that correct?

Commissioner Kline replied yes, it is a financial group who works on copier machines.

Commissioner Farren questioned voucher #38910 – ASCAP.

Mr. Barron replied this is the 2017 annual music agreement to provide music while on hold.

MOTION was ADOPTED 5-0.

CLEARING FUND/DEFERRED REVENUE/EXPENSE & PETTY CASH

Commissioner Kline made a MOTION, seconded by Commissioner Farren to recommend approval to the full Board the Clearing Fund activity, Deferred Revenue/Expense activity and Petty Cash balances for the month of January, 2017.

Clearing Fund receipts and disbursements for the month of January 2017 were \$512.81 and \$0.00, respectively.

Deferred Revenue/Expense receipts and disbursements for the month of January 2017 were \$1,500.00 and (\$21,985.18), respectively.

Petty Cash balances were approved as presented.

MOTION was ADOPTED 5-0.

TRAINING AND CONFERENCE EXPENDITURES:

Commissioner Kline made a MOTION, seconded by Commissioner Sanchez to recommend approval to the full Board the Training and Conference Expenditures activity. Advance and Travel expenditures for the month of January, 2017 totaled \$0.00 and \$1,172.06, respectively.

YTD Training and Conference Expenditures totaled \$1,172.06.

MOTION was ADOPTED 5-0.

STATEMENT OF CONDITONS:

The Committee reviewed statement of conditions for various funds.

Commissioner Farren questioned Cash DEA as listed under assets on statement of conditions.

Mr. Barron replied funds from DEA program are part of capital budget and cash and expenditures equal out.

CONTINGENGY EXPENSE REPORTS:

The Committee reviewed contingency expense reports.

OTHER MATTERS:

Discussion Zoning Hearing Board Pay:

Commissioner Luker said this matter was initiated by a member of the Zoning Hearing Board who indicated that members of the ZHB have not received a salary increase in a number of years and requested that Finance Committee consider it. Current fee is \$50 per meeting.

Commissioner Kline said he researched other municipalities on what they pay for Zoning Hearing Board members and Abington Township is inline with the majority of those municipalities.

Consensus by committee was not in favor of increasing pay of the ZHB members.

Proposed Crestmont Clubhouse:

Van Strother, Community Director, presented a site plan of proposed new building for Crestmont Clubhouse drafted by Daley & Jalboot Architects, Inc., that will be funded through CDBG funds to the committee for review.

The existing roundhouse is planned for demolition and proposed site plan is for a modest building of 2,620 sq. ft. with interior/exterior bathrooms and a basement. This building will be owned, operated and controlled by Parks and Recreation Department. This building will also be available for rentals and will be an asset to the Township.

Currently, construction documents have been completed and were sent out for bid. Bids will be coming in next week and will be placed on the Public Affairs Committee meeting agenda.

Total Development Budget was provided to the committee for review with two components; sources of funds and uses of funds. Total sources are proposed at \$1,355,927.62 and uses of funds total \$1,355,927.62. Two separate cost estimates were performed so we have a sense of what the cost will be, but through public competitive bidding, we are hoping the price will come down.

Referring to the list of sources of funds; FY17- CDBG in the amount of \$180,000.00 is anticipated funding. Going forward, he will make a request to the full Board to enter into contract for a certain amount.

Regarding affordable housing funds; he will make a request to the full Board to use those funds for this project.

Commissioner Kline asked for clarification on affordable housing funds.

Mr. Barron replied that is funds from home projects paid back to the Township.

Commissioner Kline questioned whether those funds could be used for housing rehab or could it be justified using it for a Township project such as this.

Mr. Strother replied yes; however, he believes this project is a better use as it would benefit the entire Township.

Commissioner Sanchez asked what fund would the possible \$180,000.00 shortfall come from?

Mr. Barron replied Fund Balance.

Commissioner Kline asked for the anticipated start date of the project and construction schedule.

Mr. Strother replied start date will be April 1st and construction schedule is nine months.

Discussion - Legal Fees:

Mr. Barron questioned services covered and not covered under retainer by Rudolph Clarke.

Michael Clarke, Esquire of Rudolph Clarke, replied that when hired in 2014 and based on the RFP and discussion during the interview process that certain matters would be covered under the retainer. Day-to-day business such as drafting of ordinances; attending meetings and answering questions for Township departments fell under retainer and also under retainer are minor litigation matters such as going before District Justice on code enforcement matters, etc.

Original engagement letter indicated there were a few items outside the retainer and one was land development matters, which has no budgetary impact as it is funded through escrow from developers. Also referenced in the engagement letter were certain litigation matters that were not being handled by the previous Solicitor and instead referred out to special counsel in which he indicated that would be more cost-efficient for his firm to handle.

Baederwood is a large litigation matter and Crown Castle is also large and a complicated litigation matter and both are outside of the retainer.

Mr. Barron commented that discussions between Township staff and Rudolph Clarke's firm regarding 1099's related to Edge Hill/Tyson project should be considered day-to-day business and included in retainer.

Solicitor Clarke replied when a matter is exempted from the retainer than everything related is exempted. When a matter is included in the retainer than everything related is included in the retainer.

Mr. Barron said he needs to know exactly what is and is not included in retainer.

Solicitor Clarke said sometimes time spent on several different issues is bundled together, and it is an ongoing issue, but for the most part that happens in the opposite direction.

Commissioner Luker questioned the date the contract ends with Rudolph Clarke.

Commissioner Kline replied during reorganization of the Board is when appointment is made for Township Solicitor.

Solicitor Clarke said his firm was reappointed on January 4, 2016 and no follow-up engagement letter was sent to the Township as nothing had changed in terms of engagement.

Commissioner Luker asked Solicitor Clarke if there have been any changes since then.

Solicitor Clarke replied we have been handling a lot more code hearings before District Justice.

Commissioner Kline asked Solicitor Clarke to put together a report on costs for litigation of Baederwood and Crown Castle as it stands now and where it is headed.

Solicitor Clarke agreed. Also, he will work with Township staff on what is a reasonable hourly rate for litigation matters as well as revise the model that he has been working under if necessary.

Commissioner Farren asked for the amount of hours spent each month on Township matters.

Solicitor Clarke replied he will provide a report on a previous specific time period for the committee to review.

Commissioner Kline said going forward he asked Solicitor Clarke to work with Township staff on clarifying what is and is not included in the retainer and to take into consideration some of the comments made this evening.

Solicitor Clarke agreed.

Budget Process:

Commissioner Kline said now is when we begin looking at the budget and he suggested looking into ideas that we would like to explore going forward.

Commissioner Hecker said given the departmental turnover that has begun, he questioned whether we should begin speaking with the newly incoming department heads about the finances of the departments to explore any future opportunities. Also, how do we marry this process with the transition of leadership at the Township Manager level and what role will the new Manager play in the budget process.

Consensus by committee was to begin meeting with newly incoming department heads to discuss policies and how it will affect the budget going forward.

ADJOURNMENT: 8:30 p.m.

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