

**UPPER MORELAND TOWNSHIP
BOARD OF COMMISSIONERS**

**FINANCE & ADMINISTRATIVE COMMITTEE
MEETING MINUTES**

March 17, 2008

CALL TO ORDER – Commissioner Valenza called a meeting of the Finance & Administrative Committee of the Board of Commissioners of Upper Moreland Township to order at 8:55 p.m.

ROLL CALL – Commissioner Valenza, Chairman took roll call. Present: Commissioner Stacey Efkwitz. Absent: James McKenna.

Others: John Crawford, Assistant Manager and Josh S. Ganz, Attorney.

APPROVAL OF MINUTES:

Commissioner Valenza accepted the minutes of the Finance & Administrative Committee of February 25, 2008 into the record as submitted.

NEW BUSINESS:

Presentation by PFM for 2008 Bond Issue:

Brad Remig, Managing Director of the PFM Group, reviewed the financing update with the committee and provided a copy of it to the Board.

Commissioner Efkwitz asked is the bond insurance paid throughout the life of the bond?

Mr. Remig replied you pay a one-time upfront premium and then they insure all payments from that date going forward.

Commissioner Efkwitz asked is it traditional for Upper Moreland Township to take a 15-year debt?

Mr. Crawford replied it depends on how much we borrow and for the type of projects it is for. We might as well have a longer debt issue that would have less impact on the taxpayers.

Commissioner Efkwitz said this presentation is about taking out a bond issue to fund several projects in the community, primarily, the acquisition, demolition and construction costs of War Memorial Park Drive, which is the gateway to Willow Grove and the launching of our redevelopment efforts.

In addition, there is \$50,000 needed for a streetscape project, which would be from War Memorial Park Drive to the Ehrenphort building and beyond. There are desperately needed police department and township building renovations. \$250,000.00 is needed for those renovations, such as heating and air conditioning for the township building and internal control cameras for both buildings. The projects that are included in this 2008 bond issue are for both the township building and police department and the large construction projects for redevelopment of downtown Willow Grove.

Mr. Crawford suggested borrowing a little more to replace the capital reserve funds and continue to fund the outstanding projects from our list. His prime recommendation is to come up with a funding stream on an annual basis to replace the capital reserve fund that is spent on capital items and not have to borrow for those items.

Commissioner Efkwitz said the discussion is about borrowing \$3,100,000.00 and, if we fund the capital reserve, what would that amount be?

Mr. Crawford suggested another quarter of a million dollars and, if all projects are completed and there is money leftover, then we can apply it to the capital reserve fund.

Commissioner Valenza asked is it prudent to consider capital projects that have 15 plus year write offs?

Mr. Crawford replied yes.

Commissioner Efkwitz said PFM will find the most attractive bond for our Township and match it with the most attractive bond insurance.

Mr. Remig replied that is correct. When the Board determines how much they want to borrow, we put it out to bid. The sample time line is as follows: Finance Committee Decision on Structure – April 28, 2008; Board Authorization to Proceed with Financing – May 5, 2008; Bond Ordinance Passed by Board for Financing – June 2, 2008; and Bond Settlement – July 8, 2008.

Commissioner Efkwitz asked Mr. Remig what are some of the challenges with the bid.

Mr. Remig replied getting a good bid can be difficult especially for construction projects because costs have risen through the roof and, when we get their bid, they have to hold their prices firm until July 8th. Upper Moreland Township has a good credit rating, which is a much safer bet.

Commissioner Efkwitz asked what is the burden for the taxpayer?

Mr. Crawford replied the debt service would be structured on an annual basis based on your principle and interest obligations. Taxes will need to be raised to borrow this money, and he recommends using the most stable payout. The debt service will be established on an annual basis as part of the budget.

Commissioner Efkwitz said she is concerned how this will impact our taxpayers because when we approve the budget in December 2008, we will have a tax hike.

Commissioner Spearing asked what is the actual cost for borrowing the extra money?

Mr. Remig replied it will be about a 10% increase.

Commissioner Romaniello said she is concerned that if we borrow money to do the roads, we should know exactly how we will spend the additional revenue.

Commissioner Efkwitz said it is beneficial to borrow what we believe we need and, if it is too much, we will pay it back.

Commissioner Romaniello said there are projects such as the Act 209 study that were made to bring money into the Township for large development plans.

Commissioner Efkwitz said Act 209 will not bring hundreds of thousands of dollars into our community.

Commissioner Hotchkiss said many municipalities are experiencing a decline in their total valuation of properties, and he asked Mr. Crawford to take that into consideration.

Mr. Crawford replied he can look at the trends and, over the last 3-4 years, the assessed values have been stagnant.

Commissioner Valenza asked for any public comments.

Jonathan deJonge, resident, commented that the Board should not postpone what needs to be done. We pay for it now or pay for it later at a much higher cost. The Board should consider TIF guidelines.

REPORTS:

Director of Finance:

Mr. Crawford said we are close to wrapping up everything for 2007 and finishing our reporting.

There were no questions of the Tax Enforcement Officers, Earned Income Tax Collector and the Investment Activity reports.

Commissioner Valenza commented that it is essential we keep an eye on expenditures to make sure we stay within budget.

REVIEW OF FINANCIAL STATEMENTS:

Current Bills Paid:

There were no questions.

Revenue & Expense Summaries:

There were no questions.

PERSONNEL:

Appointments/Reappointments:

Commissioner Efkwitz said there is a vacancy on the APA that Commissioner McKenna wanted to discuss and he is not here this evening so we will wait until next month. There may be some juggling with the PRAC, and regarding the appointment of Dan Fannon to the ZHB, we may ask Dan to visit the Board to tell us his experience as an alternate member of the ZHB.

Mr. Crawford asked if the committee would like Dan Fannon to come to the next Finance & Administrative Committee meeting.

Commissioner Efkwitz replied yes.

OLD BUSINESS:

Amendment to Ordinance No. 1524:

Mr. Crawford noted that our Solicitor is preparing and advertising Ordinance No. 1524 for adoption at April 7, 2008 meeting, which will allow Tax Collector to charge a \$2 fee for duplicate tax bills.

Request by Upper Moreland Historical Commission to modify term expiration dates:

Mr. Crawford noted that our Solicitor is preparing and advertising ordinance for adoption at April 7, 2008 meeting.

Proposed Lease Agreement between Upper Moreland Soccer Club and Township:

Commissioner Valenza said this will be postponed until next month.

Commissioner Spearing asked who is involved with drafting this agreement?

Commissioner Efkwitz replied it is a joint effort between the Soccer Club and Township. There is a revised draft by our Solicitor, and she asked that copies be made for the full Board to review.

NEW BUSINESS:

Consideration of Services to be provided by Econsult regarding Willow Grove Redevelopment:

Commissioner Efkwitz said we hired Econsult last year to provide a fiscal impact analysis on a proposal made by a developer. We need to decide as a Board to retain Econsult's services for financial analysis and, if so, they will provide us with an hourly rate for generalized questions and perhaps a project specific rate.

Mr. Crawford said Steve Mullin sent us a letter regarding his scope of services, which are a review of fiscal impact analysis, meeting with developers and general consultation relating to redevelopment. It states in their contract that their services will be performed at the request of the Township at an hourly rate of \$185 per hour.

Commissioner Efkwitz said we should send a letter from the Township to Mr. Mullin indicating our willingness to carry on business with his firm and thank him for the services he has provided for the past year.

Commissioner Romaniello clarified that Econsult was not hired to review any fiscal impact analysis for a development. They were hired to review pro formas. Our consultants work for the Township and not outside parties.

VISITOR COMMENTS:

There were none.

COMMISSIONER COMMENTS:

Commissioner Efkwitz announced that the School District has a budget and finance meeting scheduled for tomorrow night and TIF is on their agenda. At the meeting on the February 28th, TIF meeting, Bruce Nicholson was asked to forward copies of other TIF projects in the county and he has done that. She would like to establish a resolution authorizing a TIF Committee regardless of whether the School Board favors it or not, at least we will have this in place. She feels the Board does not need to micromanage every single purchase made by department heads. A note of the purchase would be satisfactory as long as it is in the budget. She asked for a vote to be taken at the April Board meeting to do away with this procedure.

Mr. Crawford explained that this Board, at the budget meeting, decided that the department heads are not permitted to make purchases unless it has been approved by committee and recommend approval to the full Board.

ADJOURNMENT: 10:20 p.m.

Respectfully submitted,

S. Elizabeth Vile