

**UPPER MORELAND TOWNSHIP  
BOARD OF COMMISSIONERS**

**FINANCE & ADMINISTRATIVE COMMITTEE  
MEETING MINUTES**

*April 28, 2008*

**CALL TO ORDER** – Commissioner Valenza called a meeting of the Finance & Administrative Committee of the Board of Commissioners to order at 7:10 p.m.

**A MOMENT OF SILENCE WAS FOLLOWED BY THE PLEDGE OF ALLEGIANCE**

**PRESENTATIONS/ANNOUNCEMENTS:** There were none.

**ROLL CALL:** Commissioner Valenza took roll call. Present: Commissioner Efkwitz and Commissioner James McKenna.

Others: Township Manager David A. Dodies; Assistant Township Manager John Crawford; Catherine Harper, Township Solicitor.

**APPROVAL OF MINUTES:**

Commissioner Efkwitz accepted the minutes of the March 17, 2008 Finance & Administrative Committee meeting into the record as submitted.

**REPORTS:**

Director of Finance:

There were no questions.

Tax Enforcement Officer:

There were no questions.

Earned Income Tax Collector

There were no questions.

Investment Activity Report:

There were no questions.

First Quarter Budget Review

There were no questions.

Quarterly Capital Reserve Fund Report

Commissioner Valenza said that it shows our capital reserves has the capability of dropping down to \$300,000.00 this year after we purchase our equipment and that will be the lowest it has been in a couple years.

Mr. Crawford reported that there are two reasons that it's lower than we would like it to be at this time. One is that we used \$337,000.00 for the acquisition of 135 and 139 York Road and last year at the end of the year we also purchased two properties behind the Township building, 102 and 104 Center Avenue and the acquisition and demolition of those properties was approximately \$400,000.00. Without those two items we would be up around 1.7 million at this time.

Mr. Crawford said they will keep the reports on a quarterly basis on the agenda from here on out.

Quarterly Revitalization Report

Mr. Crawford said what we attempted to do is recapture all the expenses for revitalization as far back as we could find records which was 1/1/2000 up through 3/31/2008. Basically on a revenue side grants were obtained to the tune of \$963,000.00. We have applied for and received \$935,000.00 of those grant funds. We still have about \$28,000.00 left in grant funds to procure. On the expenditure side, the Township's expenses have been about 1.1 million and that brings us to War Memorial Park. When it is completed we will have completed our first major project of redevelopment. The purpose of this report is to give the Board a recap of what has occurred during that quarter of activity for redevelopment.

Commissioner McKenna asked if the Director's Compensation was for one year.

Mr. Crawford replied that it is for all years.

**REVIEW OF FINANCIAL STATEMENTS:**

Current Bills Paid:

There were no questions.

Revenue & Expense Summaries:

Commissioner Valenza stated that he and Mr. Crawford spent an extensive amount of time going over these figures.

Commissioner Valenza stated that he had no questions on the Liquid Fuel Funds, the Debt Fund, Escrow Fund, or the Revolving Fund. They all seem to be in order. After we get through the first third of the year lets do a recap to see where we feel we are going to fit in with the budget.

Mr. Crawford replied that at the end of May we will have most of our business taxes in, the lion share of our real estate taxes in and at that time we will be able to do year end projections as to what we think our revenue will be.

**PERSONNEL:**

Boards & Commissions:

Appointment of Dan Fannon

Commissioner Efkwitz asked if they were moving Dan Fannon forward this evening.

Commissioners Valenza and McKenna said they had no problem with that.

Public Comment

Kip McFtridge said that Dan Fannon goes over government documents for his regular job and that's a lot what we do going over the zoning record. I think he is an excellent candidate and a great new member to our Board.

Commissioner Valenza asked how they are going to handle the APA.

Mr. Dodies said that the past practice is still in place so that these expiration dates would hold and then whoever you appoint following the expiration date will serve for the length of term indicated on the sheet. It is only the Authority and the Zoning Hearing Board.

Commissioner Valenza said that the purpose of what we are doing here is to stop any technical problems from one Board to the next.

Solicitor Harper said we are trying to get everybody on the same schedule. We had discussed whether or not we would start right away whether we would start at the beginning of next year and I thought it was the consensus of the Board of Commissioners to start the new ones next year.

Mr. Dodies said you could let the current members sit for the rest of this year if you would like to do it that way and then make the appointments in January or not do anything if you leave them in place.

Commissioner Efkwitz said that one of the things they need to do is fill the APA Board and we still do have that vacancy.

Commissioner McKenna said he has three people that are interested.

Commissioner Efkwitz said to let them sit until the end of the year and whatever new Board would come at that year make the appointment for the following year.

Mr. Dodies replied that these are self-created Boards so there is no legal requirement that you do anything. You just let it be and then in January the Board can vote on all of them at once.

Commissioner Spearing said it is his recommendation to pick one way and stay with that way.

Commissioner Efkwitz said that the ZHB, Police Pension and the Sewer Authority should end on 12/31/08. The other Boards & Commissions do very important work in the Township but I don't think that they need to expire on 12/31/08. I think we could make these appointments in June 2008. We have three people on the APA whose terms are due to expire.

Public Comments:

Mr. de Jonge said that the people who are up for reappointment in June he would like to see them stay on the APA because they are very valuable and now we are developing a history so we know how we can effectively work together. I think it is very important for a planning agency.

Commissioner McKenna asked the Solicitor if we do not need to vote on these does that include the ZHB position.

Solicitor Harper said that the ZHB position was actually affected already by saying that we are going to start the next year everybody is going to need to be reappointed at the first meeting of the new year. He can sit until a successor is appointed but what we had done on positions like that was reappoint the person through the end of the year and then start the term as we had just done the resolution for. The APA was not part of that resolution as I recall and it is also not the same as the ZHB which is in some sense governed by a state law, Pennsylvania Municipalities Planning Code. Your APA is not a planning commission under that law it is a creation of this Township so you are a little

freer to do what you want with it. But in general unless stated otherwise people continue to serve until their successors are appointed.

Commissioner Valenza stated that they are moving Dan Fannon forward to expire 12/31/08.

Solicitor Harper said he falls in line with the resolution that the Board approved. She said that the APA is not in the same category because we did not actually consider that and Parks & Rec. also.

Mr. Dodies said that each of those Boards, the APA, Historical Commission, and the Parks & Rec. simply specifies the length of term.

Solicitor Harper asked if it says when. So if we want to affect the same change for the APA we are going to have to do an Ordinance. Is that what you are asking?

Mr. Dodies asked if we have to or could the Commissioners choose to leave the current holders of the seat in place then go through the entire list in January so that these people who are expiring with terms in 2008 those seats would be subject to reappointment with the first meeting in January.

Solicitor Harper said that would work if the Ordinance doesn't contain anything other than the number of years. It doesn't say December 31<sup>st</sup> of a certain year then you could let them sit and then December circulate a list of everybody who is up for appointment or earlier and consider it and vote on it in January as a full commission.

Commissioner Valenza asked if they would be voting on these people for a two year term in January.

Solicitor Harper said right.

Commissioner Valenza said he would still like to see the list.

Solicitor Harper said that the only thing it doesn't do is stagger the terms.

Commissioner Efkwitz said she doesn't believe that the terms need to be staggered.

Dennis Hurley on the APA Board said he is trying to figure out if his term is up June 1, 2008.

Mr. Dodies said that the Commissioners obviously are committing to leave the person on to the end of the year and if it is the same group of Commissioners I would presume that

they would leave the person in their seat. But you have the list and if you want to go through the process of formally appointing someone for the next six or eight months it is up to you.

Commissioner Efkwitz said it's nice to at least recognize that your term is up and we've discussed over the course of this year terms and when they expire and I think what we have been doing is calling it a reappointment but maybe it's a recognition of the fact that you will continue to serve until the end of the year if you wish to do so. Now if you choose to leave in July when your term is up we would want to know that so we could appoint a replacement for you but if you are willing to serve and continue serving then what we would like to do is have you serve until the end of the year when we would make an official reappointment by the full Board for the length of your term which would be two years.

Commissioner Spearing stated that he wasn't under the impression that is what we have done this year. We've reappointed people to the ZHB and the Sewer Authority.

Commissioner Efkwitz stated Solicitor Harper said we had to reappoint them.

Commissioner Spearing said that there was no need to reappoint them at all. There was a discussion in January that those people could stay until the end year. You chose to pass a resolution to reappoint you didn't have to do it by a resolution. They just could have stayed. She said you sit until your seat is challenged.

Mr. Dodies said the terms in the Resolution for the ZHB and the Authority were specific to allow for one member to expire in each year, and with Mr. Fannon that is why it is noted this way on the agenda because the seat was listed in that Resolution with a new appointment date to be January 2009 for a term that would run for a full five-years and that, I think, completes the cycle for the ZHB from 2009 through 2013 you have one member coming to each year.

Commissioner Valenza said that Commissioner Spearing was right that they did appoint Jack Knauss and that was in mid-term.

Commissioner Spearing said it was for a three-year term and the balance of that year to take it to the end of the year.

Mr. Dodies said that he thinks he was correct.

Commissioner Efkwitz said that she thinks the easiest most consistent way to do it is since we have the Ordinance in place, which indicates the expiration dates for the Sewer Authority, Police Pension Board and the Zoning Hearing Board I think that it should

stick. As Solicitor Harper referenced they are governed by the state. As far as the other committees, boards and commissions that serve at the will of the Board of Commissioners I think that if they expire in June 2008 we reappoint them. What I would like to see happen is that anybody whose term expires we reappoint them now whether we reappoint them for the full term or reappoint them till the end of the year recognize that we would like them to serve until the end of the year, then make all of the reappointments official with a letter for the new term.

Commissioner Romaniello said that the APA has seven members on two-year terms. Odd Boards, odd years; even Boards, even years, it's that simple. You are going to have four people going off in one year and the next year you are going to have three people going off. The only way to get away from it is to change the term limit. It's not going to change starting in January.

Commissioner Hotchkiss said it was his opinion that they should keep it that way now, June to June and it's not required by law, there are no regulations to keep the consistency let's leave it the way it is.

Commissioner Spearing said he was under the impression that there is a Public Hearing scheduled next month for the Historical Commission to change their bylaws and asked what the reason was.

Mr. Dodies said it was a request from the Historical Commission. The purpose of the hearing is to set it up as you did with the other three Boards with three-year terms with December 31<sup>st</sup> expiration dates. It is a fifteen member Board and every three years five members will be changing. They initiated the request they're seeking to amend their bylaws. The Historical Commission was set up for the zoning Ordinance so that triggered the requirement for the Public Hearing.

Dennis Hurley said he has served three terms on the APA and he has never seen any member leave. It seems that you are worried that seven members will just get up and leave.

Commissioner Romaniello asked the Township Manager to send Dennis Hurley a letter of reappointment when his term is up.

Commissioner Efkwitz said that they are going to reach out to those seats which are coming up on their expiration dates and see who wants to fill them and will either reappoint or appoint after the terms expired.

Proposed Lease Agreement between Upper Moreland Soccer Club and Township (Pileggi Park)

Pat Stasio stated that he met with the Solicitor, and the president of the Soccer Club. The Soccer Club took that information back, after the meeting, and made some more recommendations and submitted that lease to me for review. I would like to ask the Board at this time to permit me to meet with the Solicitor and the president of the Soccer Club to iron out some of the differences between some of their requests and some of the comments that the Board of Commissioners had made. They are very similar but there are some hurdles.

Mr. Dodies said that the Solicitor has been working on the lease agreement.

Proposed guidelines for use of Township Public Access Channel

Mr. Dodies said that this had come up initially last year when the access channel was launched and was discussed in committee that we should have a policy. Commissioner Romaniello requested that the staff come up with some guidelines.

Commissioner Efkwitz asked how do these guidelines compare to ETV-1 and the School District's guidelines.

Mr. Dodies said that he wrote them and used as a template information that he had gotten from Comcast and the service provider we use for TeleVue. He didn't include ETV-1 guidelines.

Commissioner Efkwitz asked that Mr. Dodies provide the Commissioners with a copy of the ETV-1 guidelines, just to see the similarities and differences.

Commissioner Efkwitz asked if they could create a manager, in case either of these employees leave and their email addresses no longer exist and we don't have to redo the whole thing.

Mr. Dodies said that the intent was that the request be funneled through the manager's office.

Commissioner Efkwitz asked when you watch our public access channel there is a commercial about public advertising. In the guidelines you talk about "no fees shall be charged for broadcast of information", I am assuming that this is public information but are we permitting commercials to be run. Could a local business approach us and ask us to sponsor them?

Mr. Dodies said he would not suggest they do that. The cost for the use of the TeleVue service is very low because they are essentially doing that themselves. They are selling some amount of advertising as you saw by their contract to permitted sources to essentially fund the service for the Township. To me the guidelines for the use of the

channel should be somewhat similar to what we've established for the use of the community room and the council room. This is electronic communication but I see a parallel there. So that is what I really based this on.

Solicitor Harper added that the cable contract may prohibit us from having paid advertising.

Commissioner Efkwitz asked although TeleVue advertises that little blurb to come and participate and advertise with them?

Mr. Dodies said that's through TeleVue and our contract with TeleVue does permit them to do that and we have a list of appropriate types of advertising that they run. In fact, we have the right to pull any ads we find objectionable. He would be glad to provide the Commissioners with the ETV-1 policy but the one distinction he would make between the Township and the School District is we do not have a full time production manager. We have a gentleman who is our MIS manager who is handling this project as well so one concern that I have while we want to make use of this channel and certainly make it available for issues relating to our community I do want the Township to be able to retain control over content and size of messaging because without additional staff it can become a problem.

Commissioner Romaniello asked if we could get sample policies from our neighboring municipalities.

Commissioner Valenza said they would keep it on the agenda for next month.

### 2008 Bond Issue

Solicitor Harper provided the Chairman with resumes of three bond lawyers who are well regarded in the bond counsel field.

Commissioner Efkwitz said that Saul Ewing comes highly recommended by most everyone that she speaks with. Her top pick would be Robert Jones.

Commissioner McKenna wanted to know what special knowledge is required.

Solicitor Harper said it is a more efficient use of legal services to use somebody who does it all the time.

Mr. Crawford believes that Robert Jones is also the best and has crossed paths with him during his career. He seems to do a huge amount of bond work. He's excellent at it.

Commissioner McKenna asked if there was any consideration given to the previous solicitor.

Solicitor Harper said she has no objection to him that she was just looking for somebody who would be best. I don't think they do bond work.

Commissioner McKenna said they should find out what the rate and costs would be.

Mr. Crawford replied that the anticipated cost is built into the bond issue expenses. Public Financial Management has come up with the numbers, they do this all the time and it is their area of expertise.

Solicitor Harper said that Public Financial Management probably has a budget because the costs would include not just the lawyer but also the advertising, the printing and other things you have to do whenever you have a bond.

Commissioner Valenza asked if they go over budget would it be the Township's responsibility or Public Financial Management.

Solicitor Harper said it's going to come out of the Bond and generally Public Financial Management and the bond lawyer work together. There are sometimes other costs.

Commissioner McKenna said that he believes we should be cautious and not cavalier about this type of spending.

Commissioner Efkwitz said it concerns her about the impact this bond issue was going to have on the taxpayer and that is why we asked for clear numbers which we have, which would be the real estate tax increase with the assessed values for each home. Her biggest concern is Memorial Park Drive, the acquisition, demolition and construction. We are so deep into that project that there is no getting away from that.

Mr. Dodies said that they have before them a breakout of the costs of these projects. Mr. Crawford could enlighten you as to where we ended at slightly over 3 million because the main reason we are going to the market is the Memorial Drive Project. That's the driving force behind the bond issue and there are cost uncertainties with that project.

Mr. Crawford said the starting point was during their budget work session when the list of projects was the ones that were approved by the Board. We need to have enough to fulfill the project. If you run short you have problems. If you borrow a little extra you actually can help your mileage rates. If you go down to 3 million you put yourself in the position where you may not have enough money to complete your projects and you don't want that to happen. We are talking about a \$1.00 per taxpayer for an extra quarter of a million dollars. It certainly makes sense to get the extra quarter of a million dollars to insure that all the projects are complete and sufficient funds are available to complete the redevelopment project at the War Memorial entrance. The best financial analysis I can

give the Board is 3.25 million dollars with a \$16.00 increase per resident is what he is recommending.

Mr. Dodies replied that there is a variable with the redevelopment project with respect to the bidding. This price of 2.56 million dollars to complete the Memorial Drive Project is based on current bid prices. If we have to go back to the market and we have to bid that project it is not inconceivable, reflecting some of Commissioner McKenna's comments, that the costs could be 10% higher.

Mr. Crawford said we've also discussed at a prior meeting that the redevelopment project would go first, would be completed and at that time if the Board decided it didn't want to go any further you can return any remaining funds and reduce the debt or it can go to the budgeted projects.

Commissioner Romaniello said she would like to see the cost reduced from 3.25 million to 2.5 million. She doesn't believe that they should tack on other projects. We should tighten our belts and if we have big projects we should hold off on spending until the end of the year.

Commissioner Valenza said he is in favor of going forward with it as it is presented.

Commissioner Spearing said that three items, the police department, the Township building renovation and HVAC has been planned for three years and has not been done.

Mr. Crawford said that these were approved projects and the money was put aside but last year the Board decided since we were going out on a bond issue to put this money in the bond issue because it would be cost effective and not take it out of the capital reserve fund.

Commissioner Valenza asked Mr. Crawford if they didn't spend \$100,000.00 of this money could we ear mark it towards any of the projects or could they put it back into the capital reserve.

Mr. Crawford said yes or you could return it and reduce your debt.

Solicitor Harper said for the list of projects other than what we have we should list them for the bond because you have to lay out what you want to use the borrowed money for. You have to spend it within three years and generally the project for which you're borrowing the money is that list of projects.

Mr. Crawford said this money could be spent within the next twelve months.

Solicitor Harper suggested that after we engage bond counsel we should talk to him about adding language to the end so if any of these come in cheaper we can do some other project that the Board could decide would be useful or give the money back.

Mr. Dodies said with respect to the infrastructure issues you will have a list of problems and the issues that caused those problems but they are not costed out yet.

Solicitor Harper said the definition of project for which we are borrowing the money should have some language that allows us to use any "left over" money for some other capital project of the Township.

Commissioner Hotchkiss stated that to his knowledge there isn't any project that has been completely ignored but rather do we have the money to do the job.

Commissioner Spearing said that if you don't spend any money on it you are ignoring the problem.

Commissioner Romaniello said that in 2006 we had in excess of \$1,017,000.00 in an operating fund reserve but \$250,000.00 of this is allocated to go into the capital reserve fund so how are we going to maintain a funding stream for that fund next year when we spend the money out of the capital fund where are we going to get the money to put in next year and the following years.

Commissioner Valenza said that he plans to make sure this is part of the requirement of this Township, with the support of the Commissioners, to make sure that it maintains money in the capital reserve.

Commissioner Lavalley said he was comfortable with the number and since the time he has been here the information provided to us by David Dodies and John Crawford has been well thought out has been exacting and he has a lot confidence in the formation they have provided especially when it comes to finances, dollars and cents.

Jonathan de Jonge stated that he thinks we have an admirable staff that has done their work very well. You have to look at this as an investment into the Township. We have to update the camera systems and the security systems within the police department, it is a top priority.

Richard Booth said that he agrees that they have to do Memorial Park Drive and the streetscape is part of that. We have been working on that for five years. We could take those other items out of the reserves or take it out of the escrow for the tax problem then what is that going to do when you're at the end of the year and next year you are going to be looking at some serious problems for your capital budget. He would recommend doing all

these items and decide whether it should be a bond issue or take the money out of the capital reserves.

Commissioner McKenna is not comfortable with the amount of the bond. He feels that at this time they should be more fiscally responsible.

Commissioner Valenza stated he is in favor of moving it forward as presented by our professional staff. We will move forward for the full Board.

Draft Resolution establishing Joint Tax Incremental Financing Exploratory Committee of the Upper Moreland Township Board of Commissioners and Upper Moreland School District with participation by Montgomery County

Commissioner Efkwitz said that the resolution simply allows us to establish a TIF Committee to enter into more formal discussions with the School Board and the County to establish guidelines we could use for Tax Incremental Financing. This TIF Committee would be entitled to use the services of other township or school district consultants or staff professionals. It does not in any way establish TIF guidelines in itself. This is simply a resolution to establish a committee to move forward with the district and the county in order to explore the idea of Tax Incremental Financing and what the guidelines might look like for Upper Moreland Township.

Commissioner McKenna said he was not in favor of a TIF Committee and is not in favor of moving it forward.

Visitor Comments

Resident Liz Zodeiko of 406 Evans Avenue has a noise issue on her street and she would like to have something moved forward regarding a noise ordinance.

Commissioner Efkwitz said that there is a noise ordinance in place from 10:00 p.m. in the evening to 7:00 a.m. There is also a nuisance ordinance. Any time you feel there is a real nuisance contact the police department and they could investigate it. The noise ordinance disallows for any extraordinary noise.

Mrs. Zodeiko said it is the “ice cream truck” playing music for a continuous fifteen minutes.

Chief Nestel said he would talk with the “ice cream person” to turn down the music.

Mr. Richard Booth said he has a question regarding the operational budget. One item is the real estate transfer tax. It is a suspect item in the budget to him. The other one is the earned income tax which he believes could really hurt us.

Mr. Crawford said that each transfer is down a little but we had a couple of nice transfers in January of the two appreciating years through commercial developments. He said the EIT is right on last year's number so they are in good shape there and from a revenue standpoint we are almost right on last year's number also which we ended up with a small surplus. At this time our budget is solid and we took that into account when we did our budgeting for 2008, we knew some of these numbers, we factored them in and at this time everything is under control. Our expenditures are a little bit below budget at this point. He said he has talked with other finance directors and everybody is taking a "hit" on de-transfers right now.

Mr. Booth said he is here tonight representing the Pennypack Greenway Partnership and would like to propose that Upper Moreland Township start an EAC Committee which is an environmental advisory council. The EAC council would help the Greenway Partnership meet its objectives and the Greenway Partnership would support the EAC council with expert advice and relationships. All the commissioners have received a document indicating who is involved with the Greenway Partnership. He would like to have a presentation at the June 2, 2008 Regular Meeting.

Commissioner Romaniello asked to be considered for an appointment to the Tax Incremental Finance Committee.

Commissioner Efkwitz said that this is community wide. This has an impact on every taxpayer in this community. Commissioner Efkwitz said she would consider it. We have not yet established the committee.

**ADJOURNMENT: 9:47 P.M.**

Respectfully submitted,

Arlene M. Nolan