

November 4, 2015
Curtis Hall
7:30 p.m.

A **SPECIAL MEETING** of the **TOWNSHIP COMMISSIONERS** was held this evening at 7:30 p.m. for the President of the Board of Commissioners to present his *2016 Budget Message and Financial Plan* pursuant to the provisions of the Home Rule Charter, Section 1205 (see attached).

President Harvey Portner presided. The Secretary's Roll Call was answered by Commissioners Holland, Norris, Rappoport, Sharkey, and Simon.

Staff present were Charlyn Battle, Human Resources Director; Christopher Clewell, Public Works Superintendent; Alyson Elliott, Assistant Township Manager; Michael Fleming, Public Works Coordinator; Lt. John Frye; Kenneth Hellendall, EMS Director; John J. Norris, Chief of Police; Joseph W. O'Neill, Fire Marshal; Bruce Rangnow, Director of Fiscal Affairs; Henry Sekawungu, Planning and Zoning Officer; Lt. John Weed, and Bryan T. Havar, Township Manager. Also present were Stephen Burns, Finance Director and Carrie Turner, Library President.

Also present was Stephen G. Burns, Finance Officer and Carrie Turner, President and CEO of Libraries. A Public Attendance list is attached.

1. In conformity with the provisions of the Home Rule Charter, President Portner presented to the Board of Commissioners his *2016 Budget Message and Financial Plan*, including the *Proposed Operating and Capital Budgets* as follows:

- a) Comparative figures for estimated income and expenditures for the current fiscal year 2015 and actual expenditures for the year 2014, together with the forecast of revenues and expenditures for two additional years (2017 and 2018);
- b) A proposed Operating Budget for 2016;
- c) A proposed Capital Program for 2016 through 2020;
- d) Proposed Capital Budgets for 2016 and 2017;
- e) A proposed State Liquid Fuels Budget for 2016.

There being no further business to come before the Board, upon motion of Mr. Sharkey, the meeting was adjourned at 7:45 p.m.



Bryan T. Havar
Township Manager

as per Anna Marie Felix



BUDGET MESSAGE
for
YEAR 2016
from
Harvey Portner, President
CHELTENHAM TOWNSHIP BOARD OF COMMISSIONERS

Wednesday, November 4, 2015

Good evening. I am Harvey Portner, President of the Board of Commissioners.

It is my privilege to present to you the Township's financial plan for 2016 in accordance with our Home Rule Charter. The plan includes proposed Operating and Capital Budgets for 2016, a state Liquid Fuels Budget and a Five-Year Capital Program through 2020.

The budgeting process began this summer and continued into September when the Township Manager held budget meetings with department heads, Staff and representatives from the libraries and a finance meeting with the Fire Companies. That was followed by two Public Budget Workshops on October 6 and on October 27 conducted by the Commissioners.

Operating Budget

At this time, the proposed Operating Budget for 2016, which comprises the funds that are needed to maintain the day-to-day operations of the Township, totals \$42,295,443. This is a \$899,660 increase over the 2015 Budget of \$41,395,783 or a 2.1% increase. While all department heads have held the line on expenses, this increase can be attributed to several fixed-cost items such as contractually obligated salary increases, increases in property, liability and workers' compensation coverages, health insurance premiums, Philadelphia Wastewater Treatment Costs, increased payments in our debt service to fund the Township's much needed ageing infrastructure improvements, and disposal of our collected recycling tonnage.

Unfortunately, revenues are not keeping pace in covering expenses. Most of the revenue weakness can be found in key areas – interest earnings, the decrease in real estate tax assessment values as a result of continued property reassessments by the County’s Board of Assessment Appeals, an increase in the number of bank-owned vacant properties, many with outstanding liens that decreases the value of neighboring property values, and properties that have gone to Sheriff sale.

Therefore, this budget offers an approach that relies on the use of \$600,000 of the \$995,653 revenue shortfall being made up from our Fund Balance, and the \$395,653 remainder coming from a proposed property tax increase. This means a real estate tax increase for an additional \$31.89 per household for a property with an average assessed valuation of \$150,000 or \$3.50 per month. This equates to .2126 mills or a 2.70% increase over 2015.

This budget does include wage increases negotiated with the Township’s three Collective Bargaining Groups – Police Association, Teamsters Local 115, and the Salaried Association, which is comprised of clerical staff and Emergency Medical Services staff. In late spring, negotiations with all three of these bargaining groups will begin. Rising health insurance costs and pensions pose a long-term threat to the Township’s financial stability. We are hoping our employees will understand that these rising costs need to be contained, and they need to play an active role in this respect as we sit down to negotiate.

Recognizing the Township’s fiscal constraints, this budget provides no increase to our library system. However, the Township’s \$1.5 Million contribution to the Libraries will continue in 2016 for its operating expenses and another \$190,500 in capital costs.

For our five Fire Companies, the current budget also provides no increase. The Township’s \$140,000 contribution to each Fire Company will continue in 2016. At this time, I want to take the opportunity to thank our dedicated men and women who serve in our Fire Companies. Their devotion and commitment to saving lives and property is tremendous. They spend hundreds of hours in training and responding to calls at all times of the day and night and in all kinds of conditions. We are also very fortunate to have many other volunteer groups such as the auxiliary police officers, emergency medical technicians, members of our citizens committees, library volunteers, members of our little leagues and athletic organizations, citizens’ committees, and many others.

The Commissioners formed an Alternative Revenue Committee that has initiated work on drafting a new ordinance that will require all landlords to register all their tenants annually with the Township and will require a fee per unit. We anticipate that this ordinance will be introduced early next year for consideration and adoption.

Capital Budget

In addition to our proposed \$42,295,443 Operating Budget, the Township is projecting a Capital Budget for 2016 totaling over \$20.1 Million. There are over 90 capital projects planned for 2016 that include replacement of over 12,000 linear feet of sewer line, purchasing new police vehicles and a new ambulance, improvements to our fourteen municipal buildings, upgrades to our two pools, the Fire Training Center, recreation facilities, playgrounds, and equipment in our parks, and a streetlight replacement program that will replace the high pressure sodium lamps with LED lamps that in the long-term are projected to lower our operating costs by 15% and meet the goals of the Township's Sustainability Plan.

The Township has been diligently working to improve our ageing infrastructure, which includes roads, parkland, playgrounds, sanitary sewers, stormwater collection facilities, flood control structures and buildings. We are working with state and federal agencies such as the Pennsylvania Department of Environmental Protection to perform a comprehensive rehabilitation of our sanitary sewer system. We are scheduled to bid the replacement of almost four miles of new interceptor, which runs parallel along the main to the Tookany Creek between Old York Road to Central Avenue. We anticipate construction of this project to commence in the spring of 2016 and take up to one year to complete. We are also working with the Pennsylvania Emergency Management Agency, the Federal Emergency Management Agency, as well as the U.S. Army Corps of Engineers to address flood control measures, which are documented in a final study of the Tookany Watershed, which will be released on or before November 12, 2015. Once the Planning Study is completed, in 2016 and beyond, the Township will begin the process to work with our elected state and federal officials to have more funds earmarked in Congressional appropriation bills for implementation.

Other Capital projects that the Township has been working that have been offset by state and/or federal grant funding include:

- Expansion of the Tookany Creek Pedestrian Walking Trail between New Second Street and Harrison Avenue in Elkins Park with \$400,000 in funding from the William Penn Foundation.
- A Phase II development project at High School Park for stormwater improvements and best management practices, a rain garden, invasive species removal and planting of native plants and shrubs and will be offset with a \$100,000 grant from the Pennsylvania Department of Conservation and Natural Resources.
- A Streambank Stabilization and Riparian Buffer Enhancement Project along the Rock Creek Greenway at Curtis Arboretum with a \$100,000 matching grant from the Pennsylvania Department of Conservation and Natural Resources.
- Streetscape and Traffic Calming Improvements for pedestrians and bicyclists in the Elkins Park West Commercial District at Old York and Church Roads with a \$1 Million grant from the Pennsylvania Department of Transportation.
- The Township will soon bid a roof repair project for Curtis Hall and a retaining wall stabilization project on the grounds of Curtis Arboretum. This Capital Project will commence in early 2016 and is needed to protect the overall integrity of Curtis Hall, which is listed on the National Register of Historic Places.

The Commissioners and Township Staff are committed to keeping the high level of the quality of life and services in Cheltenham and our accomplishments have been many. In 2015, Cheltenham has proven over and over that it is a great place to live, work, and educate our children. We have partnered with the School District to develop a Township-wide public relations mobile campaign called "I CHOOSE CHELTENHAM" that provides free car magnets to Township residents funded by Wawa, Inc. The Township Administration has reached out to the School District to consider reinstating its funding to the Cheltenham Township Library System and increase its contribution for the salaries of Crossing Guards.

New Development Projects

Cheltenham is not at a standstill, and new developments are on the horizon.

- In Glenside, the Roberts Block Building now houses a 100-seat restaurant and bar across from the Glenside Train Station; Wyncote Commons, a former complex of industrial warehouses, has been revitalized for new mixed use businesses; the former Gate 1 property has been sold and will be redeveloped sometime in 2016 for office use; the former Glenside Hardware store has been sold, and we are hopeful that it will undergo a revitalization meaningful to downtown Glenside.
- Ashbourne Meadows development, on the site of the former Ashbourne Country Club, will begin construction of a residential single family and townhouse community totaling 166 units.
- Cheltenham Mall will begin undergoing a \$29 Million redevelopment project to bring in an estimated 22 new stores with their own storefronts.
- Arcadia University will continue with on and off-campus renovations.
- On Cheltenham Avenue, two new restaurants and a coffee shop have opened at 1333 Cheltenham Avenue; a new banquet facility and restaurant are anticipated to open in 2016 at 1347 Cheltenham Avenue; and a new food market expansion is planned at the H-Mart with increased parking including a 2-storey parking deck.
- Holy Sepulchre Cemetary is obtaining approval for a 2-storey 1,302 square foot building addition for a sales office.
- Wawa will begin construction of a new 5,585 square foot store with 16 gas fueling stations in early 2016 at Ogontz Avenue and Limekiln Pike.

All of these new businesses and developments will generate additional revenues via Business Privilege Taxes and/or building permit fees. In the case of Arcadia University, their building permits will generate approximately \$200,000 in revenue.

The Township is the recipient of several ongoing awards such as the Platinum Level Sustainability Award from the Greater Valley Forge Greater Transportation Management Association. It is a member of the Classic Towns of Greater Philadelphia, a unique regional program sponsored by the Delaware Valley Regional Planning Commission that promotes timeless communities as premier places to live, work, and recreate, and an ongoing member of the Tree City USA Program for the 17th consecutive year, and Cheltenham was the recipient of the Growth Award for the 15th year from the National Arbor Day Foundation for its tree care and stewardship programs.

Grants Received

We are proud to be the recipient of several federal and state grants, which will help implement many new programs and capital projects in 2016 and will help pay for ongoing ones as well. A few of these include:

- A \$1,000,000 PennDOT Transportation Alternative Program Grant for streetscape and traffic calming improvements in Elkins Park West, the area around Old York and Church Roads.
- A \$250,000 Department of Environmental Protection (DEP) recycling grant for automated recycling containers.
- A \$170,000 Community Development Block Grant for La Mott Community Center rehabilitation upgrades.
- A \$125,000 Comcast grant in support of the production of local government and education cable programming.
- A \$100,000 Department of Conservation and Natural Resources Grant for Phase III Streambank Restoration at High School and Ogontz Parks.
- A \$40,000 Commonwealth Keystone Grant to upgrade the public bathrooms at Elkins Park Library.
- A \$27,500 Library Services and Technology Act Grant for a digital media lab at the Elkins Park Library.

The Township is also proposing a Liquid Fuels Budget that provides for \$917,650 in state funds for snow removal and paving of municipal roads. This is an increase of \$113,350 from our 2015 Budget based on recent Act 89 funding.

As you can see, this 2016 proposed Budget as outlined, is a plan to continue to increase the value of Cheltenham Township by maintaining its high quality of services while increasing management and energy conservation efficiencies, investing in sustainability, marketing and promoting our community to attract new residents and businesses and showcasing neighborhood beautification, and help moderate real estate taxation.

Next Wednesday evening, November 10th, the Finance Committee will review this proposed budget at 7:30 p.m. On November 18th, at 7:30 p.m., the Commissioners will adopt the preliminary Operating and Capital and Liquid Fuels Budgets for 2016. On December 9th, at 7:30 p.m., the Finance Committee meets again for further review of the budget. On December 16th, there will be a formal hearing to adopt the final budget. All meetings will be held at Curtis Hall, 1250 W. Church Road, Wyncote. We welcome public input. The Commissioners will continue to work with the Township Manager and Staff to look at ways to minimize the tax burden on taxpayers between now and final budget adoption.

As most of you know, this is my last budget message and on December 31st, I will end my tenure as Township Commissioner after 28-years of service. To all of the wonderful people whom I have had the opportunity to work with over the years - Thank You.

The times shared, friendships forged and the incredible successes which we have enjoyed have been an extraordinary part of my life. I am very proud of what we have achieved, and they have been times I will never forget.

This Township is a warm community of people and feels like a family, and I will still see many of you, and I intend to remain active in the community.

To my fellow Commissioners, the Township Manager, and Township employees, I wish all of you every success for the future.

I wish all of you a happy and healthy holiday season.



PUBLIC ATTENDANCE LIST
PRESIDENT'S BUDGET MESSAGE – 7:30 P.M.
PUBLIC SAFETY COMMITTEE – 7:45 P.M.
PUBLIC AFFAIRS COMMITTEE – 8:00 P.M.
BUILDING AND ZONING COMMITTEE – 8:15 P.M.
Wednesday, November 4, 2015
Curtis Hall

NAME <i>(Please Print Clearly)</i>	ADDRESS <i>(Please Print Clearly)</i>	E-MAIL and/or TELEPHONE <i>(Please Print Clearly)</i>
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