

A regular meeting of the **FINANCE COMMITTEE** for October was held tonight via web-conference, Commissioner Baron B. Holland presiding. Members present were Commissioners Areman, Brockington, Pransky, Rappoport, and Zygmund-Felt. Also present was Ex-Officio member Norris.

Staff present via web-conference were: Robert Zienkowski, Township Manager; Alyson Elliott, Assistant Township Manager; Nathan Crittendon, Director of Fiscal Affairs; Marc Lieberon, Finance Officer, and James Slade, Fleet Superintendent.

Mr. Holland called the meeting of the Finance Committee to order at 9:55 p.m.

1. Mr. Slade provided a brief synopsis of the reasons for the request of expenditures over \$2,500. Discussions were held with Committee members as to the timeline of the completion of work.
 - a. Upon motion of Mr. Holland, the Finance Committee unanimously approved an increase to an existing purchase order for Old Dominion Brush Company in the amount of \$8,000 for parts to repair the Public Works leaf picker equipment.
 - b. Upon motion of Mr. Holland, the Finance Committee unanimously approved a purchase order for John Meenan Transmission Service, Inc. in the amount of \$3,081.84 for the repair of the transmission in the Public Works Fleet Superintendent vehicle.
 - c. Upon motion of Mr. Holland, the Finance Committee unanimously approved a purchase order for Foley, Inc. in the amount of \$9,148 to replace the turbo, exhaust manifold and muffler on the Public Works 930 Cat Loader.
2. Review of the Executive Financial Summary Report for the period ended September 30, 2021.

Ms. Rappoport raised questions regarding significant increases in pool utility costs and agent fees. Mr. Crittendon explained the increased utility cost was due to contracted pool maintenance, increased cleaning as a precautionary effort to mitigate viral spreading, and additional bond agent services were requested, resulting in additional interest received by the Township toward debt service.

Upon motion of Mr. Holland, the Committee unanimously accepted the Executive Summary Report for the period ending September 30, 2021.

3. Mr. Crittendon provided an overview of the Township's budgetary performance, noting General Fund Revenues, excluding non-budgeted State Aid, resulted in receiving 86% of its planned receipts. Revenue realized as of month-end September 2021 currently exceeds Expenditures by 30%, which comes as a direct result of all Township Staff's efforts to reduce expenditures while also identifying alternative funding sources, by means of upfront funding or reimbursement. Mr. Crittendon took a moment to acknowledge the efforts of the following Staff Members: Kimberly Kirschner, Kenneth Hellendall, Jessica Barto, Sgt. Joseph O'Neill, Scott Lynch, and James Slade for identifying means of either expenditure reduction or receiving alternative revenues.

Mr. Crittendon clarified that the 2022 Budget Workshops will take place on Thursday, October 21, 2021, for the Township's internal departments (Administration, Public Works, Parks and Recreation, Planning and Zoning, Code Enforcement and Emergency Services) and Thursday, October 28, 2021, for the Finance Officer, Fire Companies and Libraries. Both meetings will begin at 6:30 p.m. A discussion was held as to the reason for date changes, budget presentments, and identifying Zoom as the meeting venue. Mr. Brockington stated that he would not be able to attend the first budget meeting.

Mr. Norris raised questions as to the status of the Earned Income Tax collections. Mr. Crittendon explained that while remittances have been coming in slightly more robust, the overall collection is experiencing significant lag as compared to the budgetary expectation. Mr. Crittendon provided a brief overview of tax collection processes and timelines, setting new expectations when the Township would realize Income Tax revenues.

Mr. Zygmund-Felt raised concerns with the underperformance of Business Privilege and Mercantile Tax, as it concerns seeking financial aid from outside entities to offset budgetary shortfalls. Mr. Holland questioned the level at which filing extensions will affect the Townships revenue shortfall. Mr. Crittendon

deferred the question to the Finance Officer. Mr. Zygmund-Felt responded by noting that the Federal Tax filing deadline was pushed back until January 3, 2022.

Upon motion of Mr. Holland, the Committee unanimously accepted the Report from the Director of Fiscal Affairs.

4. Mr. Lieberson spoke to the number of entities filing for extensions, as allowed due to the economic impacts of the pandemic and influx in severe storms. Mr. Lieberson provided a slide show presentation of the current collection performance of the Tax Office covering total distributions and context of the issues with possible shortfalls in Earned Income Tax (EIT) and Business Privilege Tax (BPT) collections. Mr. Lieberson stated that shortfalls faced are due to economic factors finding as much as 30% fluctuation in earnings reported. In closing, Mr. Lieberson noted the need for a Business Privilege Auditing Program and how it would increase collection efforts.

5. Old Business – None.

6. New Business

- a. Discussion on a proposal from Zelenkofske Axelrod, LLC, Township Auditors, to perform an audit of the Cheltenham Township Tax Office.

Mr. Zienkowski noted that the proposal is to perform an audit of the Cheltenham Township Tax Office. Mr. Holland raised questions about the auditing standard as proposed and the scope of work entailed. Mr. Norris commented on the function of conducting an audit in this matter and that it would typically not include processes. Mr. Zygmund-Felt raised concern with the scope of the work to be completed and the obligation of all benefiting entities to assist in paying the audit. Stephen Burns, former Finance Officer, commented on the processes of the Tax Office during an unprecedented year and to the experience of the proposed audit firm in auditing municipal tax collections. Mr. Zienkowski raised questions as to past audits conducted. A discussion was held between Committee members and staff.

Upon motion of Mr. Holland, the Finance Committee unanimously agreed to table the proposal from Zelenkofske Axelrod, LLC, Township Auditors, to perform an audit of the Cheltenham Township Tax Office.

- b. Authorization for the Township to sign an Investment Advisory Client Consent Form agreeing to continue its partnership with PFM Asset Management, LLC, now known as U.S. Bancorp Asset Management, Inc.

Mr. Holland provided background on the PFM merger and the need for signing the consent form. Discussions were held regarding the possibility of the Township submitting a Request for Proposal (RFP) for Investment Advisory Services considering the length of time since last going to the market for competitive pricing. The Committee decided that considering the amount of RFPs which the Township currently has put out, the Township should do this at a future time.

Recommendation to the Board of Commissioners: Upon motion of Mr. Holland, the Finance Committee unanimously agreed to recommend the Board of Commissioners authorize the Township to sign an Investment Advisory Client Consent Form agreeing to continue its partnership with PFM Asset Management, LLC, now known as U.S. Bancorp Asset Management, Inc.

7. Citizen Forum – None.

8. There being no further business, upon Mr. Holland's motion, the Committee unanimously agreed to adjourn the meeting at 10:42 p.m.



Robert Zienkowski
Township Manager

Per: Nathan L. Crittendon, MSB, MBA
Director of Fiscal Affairs