

A regular meeting of the **FINANCE COMMITTEE** was held tonight, Chairman Baron B. Holland presiding. Members present were Commissioners Brockington, Pransky, Rappoport, Sharkey and Zygmund-Felt. Also present was Ex-Officio Member Commissioner Norris.

Staff members present were Township Manager, Bryan T. Havir; Director of Fiscal Affairs Bruce Rangnow, and Assistant Township Manager Alyson Elliott. Also in attendance was Finance Officer Napoleon Nelson. Ed Furman, partner from Maillie was in attendance. A Public Attendance List is attached.

Mr. Holland called the meeting of the Finance Committee to order at 8:40 p.m.

1. Upon motion of Mr. Holland, the Committee unanimously accepted the Executive Summary Report for the period ending May 31, 2018.
2. Ed Furman, Audit Partner from Maillie, LLP made a presentation on the final results of the annual financial audit for the year ending December 31, 2017. Copies of the 2017 Annual Financial Report were distributed to the Committee. Highlights of the presentation were as follows:

- No disagreements or material weaknesses were found as it related to the 2017 Final Reporting.
- General Fund Balance is favorable at 15.2% of operating revenue and meets the baseline requirement for maintaining the Township's Aa2 bond rating.
- The Township's OPEB obligation grew by \$4,479,696 in 2017.

Mr. Norris requested an explanation as to why the Business Privilege and Mercantile gross revenue for 2017 was lower than in 2016. This matter will be researched with a detailed explanation to be provided to the members of the Finance Committee.

3. Proposed changes to the Township's existing fee schedule as approved on May 16, 2018 for biodegradable leaf bags and advertising rates were discussed.

Recommendation to the Board of Commissioners: Upon motion of Mr. Holland, the Committee unanimously agreed to recommend to the Board of Commissioners the adoption of a Resolution amending the existing fees for the sale of leaf bags and advertising rates for all Township publications.

- 4 Mr. Nelson presented an update on the progress his office is making regarding the collection of real estate taxes and overhauling the Mercantile and Business Privilege computer platform. Mr. Nelson also provided information on actions his office is taking to obtain new business licenses and commence collection of taxes from major companies. Letters have been sent and several companies have responded back stating that they have already reported revenues and remitted taxes to a municipality other than Cheltenham for the business service done within Cheltenham. Mr. Nelson outlined that the next steps in establishing a collection process for these

businesses would be to engage an audit firm to work alongside our identified legal counsel, Kathy Thomas. An apportionment formula will be determined to clarify what portion of revenues each company derives from Cheltenham that are subject to Cheltenham's taxing efforts as opposed to the municipality where such business tax payments have previously been paid. A determination will also be made regarding the collection of any back-taxes due. Cheltenham Transportation was used as an illustrative example as the company has been paying taxes to Springfield Township based on the revenues derived from their contract with the Cheltenham School District. Their bus depot is located in Springfield Township.

In support of the collection process Mr. Nelson indicated his desire to hire Gary Williams of McCarthy & Company, Lafayette Hill, Pennsylvania to act as the audit firm for these and other matters relating to the mercantile/business privilege tax collection efforts.

Recommendation to the Board of Commissioners: Upon motion of Mr. Holland, the Committee unanimously agreed to recommend that the Board of Commissioners authorize Napoleon Nelson to proceed with hiring Gary T. Williams, CPA of McCarthy & Company, Lafayette, Pennsylvania as the mercantile/business privilege specialized audit consultant for the Tax Office.

5. Old Business – Mr. Sharkey restated his prior request for the Township to apply for an Early Intervention Program grant from the Pa Department of Community and Economic Development (DCED) to assist in helping the Township to better identify its structural deficits and to develop a strategic financial plan that upon implementation will actualize real financial savings for the municipality. A motion was made by Mr. Holland and approved by the members of the Finance Committee for the Township Manager to organize and set up an informational meeting with the DCED that will be attended by a Township committee consisting of Mr. Holland, Mr. Norris, Mr. Havir and Mr. Rangnow.

6. New Business – None

7. Citizen's Forum – None

There being no further business, upon motion of Mr. Holland, the Committee unanimously agreed to adjourn the meeting at 9:21 p.m.



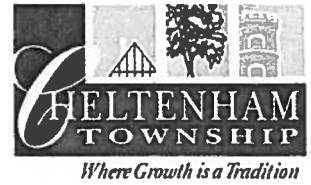
Bryan T. Havir
Township Manager

Per: Bruce Rangnow
Director of Fiscal Affairs



Meeting Attendance Sheet

Public Safety Committee
Public Affairs Committee
Wednesday, June 13, 2018



Curtis Hall
1250 West Church Road | Wyncote, PA 19095

(Please Print Clearly)

No.	Name	Address	E-mail
1	Richard J. Kass	Greenside Fire Co,	
2	Richard B. Kass	"	
3	Al Regenhard	"	
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