

The first meeting of the Committee on Economic Development was held on Tuesday, April 25, 2006, in the Upper Dublin Township Building; Chester Derr presiding.

In attendance were Commissioners Chester Derr, Ira Tackel, Jules Mermelstein and Ron Feldman as well as Paul Leonard, Township Manager; and Jonathan Bleemer, Finance Director

Mr. Derr convened the meeting by asking those present to pledge allegiance to the flag.

REPORT OF FINANCIAL CONDITION:

Mr. Bleemer informed of the following:

- Revenues are in line with the budget.
- Real Estate Tax revenues are 90% collected.
- Municipal Services Tax revenues are coming in slowly. The due date for the first payment is the end of this week. Mr. Bleemer expects to have a better idea of where the Township stands with these revenues during the next month.
- The auditors have finished the 2005 audit and will issue their report in early May.
- Reports from Links Management, the Fort Washington Fire Company, and the North Hills Community Group have been submitted on schedule.

COMPENSATION AND BENEFITS STUDY:

Mr. Derr said this Committee was asked to participate in a complete survey of management positions in the Township to keep their benefit packages in line with other municipalities. The Township received three proposals for a compensation and benefits study from the following organizations with each of their "not to exceed" costs:

Mosteller & Associates, Inc (Mosteller).	Reading, PA	\$ 8,700
AON Consultants (AON)	Radnor, PA	\$12,000
The Solutions Network, Inc.	Newtown Square, PA	\$22,500

- AON is a much larger firm than the other two.
- AON is the most appropriate choice based upon:
  - Their capabilities.
  - Their data bank.
  - They have been doing this type of work for a long while.
  - Upper Dublin Township has a good relationship with AON. They were able to reduce medical insurance rates by 11 ½%.

Mr. Bleemer said:

- During the interview process, it became apparent that Mosteller did not have the database Upper Dublin Township was looking for and they could not answer all questions raised because they could not quantify all benefits.

It will take Mosteller longer to do a survey because they do not have the information required on hand.

Mosteller has no clients in this area.

- The Committee is concerned about deliverables.

- AON has many more contacts in Montgomery County.
- AON is able to put dollar values on the comparison of benefits.
- AON is very capable of delivering information.

Mr. Leonard said the information the Township has regarding police and police arbitration on its database is poor (i.e., the difference between holiday pay, festive holiday pay, non-festive holiday pay, etc.).

In terms of manager's benefits, there are many issues. Two managers in neighboring municipalities have retirement pensions. In the whole of Montgomery County, there are probably four with the same benefits. Other managers have developed contracts, agreements and compensation packages that have evolved over the years.

Mr. Derr motioned, with Mr. Mermelstein seconding, to recommend to the Board of Commissioners the appointment of AON Consultants to develop a compensation and benefits study for Upper Dublin Township

VOTE ON MOTION

ALL YES

MOTION CARRIED

STATUS OF FORT WASHINGTON OFFICE PARK TRAFFIC/FLOOD STUDY:

Mr. Leonard informed of the following:

- Dr. Jeff Featherstone, head of Temple University's Center for Sustainable Communities, was invited to attend this meeting but was unable to do so due to a teaching commitment.
- Dr. Featherstone will be presenting a report to this Committee regarding his studies on this project.
- Dr. Featherstone has been successful in obtaining \$200,000 from FEMA.
- The RFP was very soundly written to include flood and transportation studies in the Fort Washington Office Park.
- Upper Dublin Township authorized the agreement two months ago.
- The Township has had a great deal of difficulty in getting PennDOT to sign off on federal money.
- Universities are forbidden by federal regulations from competing on proposals with the private sector.
- PennDOT has not had many university contracts and has had difficulty figuring that out.
- It is not certain that PennDOT has signed off on an agreement as yet.
- Dr. Featherstone has begun collecting valuable data. He is looking at floodplains, the impact on roadways, solutions and costs involved with them.
- The risk to the Fort Washington Office Park is that weather conditions could expand the floodplain rather than shrink it. This problem may get worse.
- It is necessary to know where the floodplains are before rebuilding 50 years of roadways
- There are 35 major buildings in the Fort Washington Office Park at the present time.
- Issues to come before this Committee in the future regarding the Fort Washington Office Park Traffic/Flood Study include:
  - Dr. Featherstone's study
  - Transportation Development District
  - Impact on Floodplain
  - Zoning
  - The amount of revenues that Upper Dublin Township and Upper Dublin School District receive from the Fort Washington Office Park

QUESTIONS/COMMENTS:

Mr. Feldman asked to be updated on the bond issue for open space that was suggested during budget hearings.  
Mr. Leonard said that nothing has been done as yet but assured that it will come through this Committee.

ADJOURNMENT:

Mr. Derr motioned, with Mr. Mermelstein seconding, to adjourn the meeting.

VOTE ON MOTION

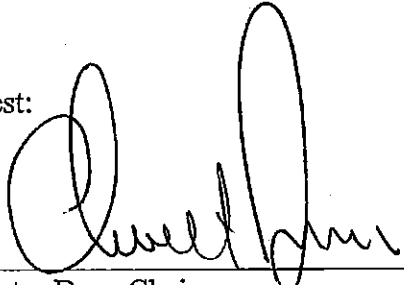
ALL YES

MOTION CARRIED

Respectfully submitted,

  
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Louise S. Birett, Recording Secretary

Attest:

  
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Lester Derr, Chairperson

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A meeting of the Committee on Economic Development was held on Tuesday, July 18, 2006, in the Upper Dublin Township Building; Chester Derr presiding.

In attendance were Commissioners Chester Derr, Jules Mermelstein and Ronald Feldman as well as Jonathan Bleemer, Finance Director

Mr. Derr convened the meeting by asking those present to pledge allegiance to the flag.

MOVE TO ACCEPT MINUTES OF APRIL 25, 2006 MEETING OF THE ECONOMIC DEVELOPMENT COMMITTEE WITHOUT READING:

Mr. Mermelstein motioned, with Mr. Feldman seconding, to accept the Minutes of the April 25<sup>th</sup> meeting of the Economic Development Committee without reading:

VOTE ON MOTION                      ALL YES                      MOTION CARRIED

TOWNSHIP AUDIT PROPOSALS:

Requests for proposals to perform the annual independent audit of Upper Dublin Township's and Fort Washington Fire Company's financial statements for the years 2006-2010 were forwarded to seven certified public accounting firms on May 12<sup>th</sup>.

Mr. Bleemer recommended acceptance of the quote from Bee Bergvall & Co. (Bee Bergvall) for a five year term at a cost of \$72,500 with the possibility of a \$10,000 fee if a single audit is required. In most cases, a single audit is not necessary. The contract price is below Bee Bergvall's current audit price as well as below all other bidders.

It was noted that Bee Bergvall also conducts the audits for Abington, Upper Moreland, Horsham, and Springfield Townships among others.

Mr. Mermelstein motioned, with Mr. Feldman seconding, to recommend that the full board accept the bid from Bee Bergvall & Co. to audit Upper Dublin Township's and Fort Washington Fire Company's financial statements for the years 2006-2010 at a cost of \$72,500 with the possibility of a \$10,000 fee if a single audit is required.

VOTE ON MOTION                      ALL YES                      MOTION CARRIED

REPORT OF FINANCIAL CONDITION:

Mr. Bleemer informed of the following:

- Revenues from January through June 2006:
  - The General Fund is 65% of the General Budget (where it is expected to be).
  - A new budgeted item this year – the Emergency Management Tax - is at approximately 85% (where it is expected to be). The Township should be able to meet its budget.
  - Earned Income Taxes are right on schedule with only one quarter of the revenues expected to date.
  - The Real Estate Transfer Taxes at the end of July 2006 are up by \$273,000 (or 79.48% of budget) due to sale of two large properties located at 500 Virginia Drive and 1100 Virginia Drive. It was noted that Township staff tries to only budget for residential properties because it cannot be predicted if and when large commercial properties will be bought and sold in a given year.

• Expenditures from January through June 2006:

- Expenditures have reached the 50% level of budget for the first half of 2006 (less than 1% below last year's figures).
- Expenditures are below 50% on all funds (other than the Motor Pool budget which is a bit over budget due to the rising costs for gasoline and oil).
- Expenses in the Capital Projects fund include the two pieces of property purchased by the Township that were not in the budget. It is expected that this fund will be over budget by 11.5% at the end of the year.
- The fund entitled "Intergovernmental Expenditures" consists primarily of pass-through payments to the ambulance companies.
- The Board of Commissioners decided to begin putting money back into the Real Estate Allocation fund (approximately \$417,000 in 2006).

MISCELLANEOUS DISCUSSIONS:

Ballot Memorandum:

A memorandum is being drafted that will be presented on the November ballot asking residents if they will agree to a bond issue.

Compensation and Benefits Study Update:

Department heads met with representatives of AON Consultants and discussed their participation in a complete survey of management positions in the Township to keep their benefit packages in line with other municipalities.

Search for Candidates to Perform Engineering Inspections Update:

To date, staff has not been able to find anyone who is qualified to do inspections. The search for an appropriate candidate is on-going.

ADJOURNMENT:

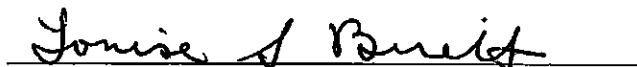
Mr. Mermelstein motioned, with Mr. Feldman seconding, to adjourn the meeting.

VOTE ON MOTION

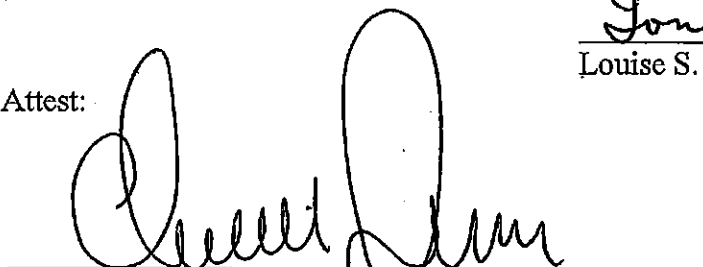
ALL YES

MOTION CARRIED

Respectfully submitted,

  
Louise S. Birett, Recording Secretary

Attest:

  
Chester Derr, Chairperson

A meeting of the Committee on Economic Development was held on Tuesday, November 14, 2006, in the Upper Dublin Township Building; Chester Derr presiding.

In attendance were Commissioners Chester Derr, Jules Mermelstein and Ronald Feldman as well as Jonathan Bleemer, Finance Director. Commissioner Pesavento participated as part of the audience.

Mr. Derr convened the meeting by asking those present to pledge allegiance to the flag.

MOVE TO ACCEPT MINUTES OF JULY 18, 2006 MEETING OF THE ECONOMIC DEVELOPMENT COMMITTEE WITHOUT READING:

Mr. Mermelstein motioned, with Mr. Feldman seconding, to accept the Minutes of the July 18th meeting of the Economic Development Committee without reading:

VOTE ON MOTION

ALL YES

MOTION CARRIED

FINANCE DIRECTOR'S REPORT:

Earned Income Tax (EIT):

- Third quarter revenues are higher than expected.
- The EIT Department has collected more than \$830,000 since they have aggressively concentrated on the collection of delinquent EIT.

Emergency and Municipal Services Tax (EMST):

- There was a smooth implementation of the EMST in 2006 with collections somewhat higher than initially expected (\$631,000 as of the end of October).

Finance Department Software:

- The Finance Director has begun to look at alternative payroll, accounting, and personnel software packages via software demonstrations from a number of vendors.
- The current finance software (purchased in 1998), does not take advantage of newer technologies; i.e., the payroll and personnel systems run on a pre-windows-based platform and sharing fundamental financial data with other departments is difficult and cumbersome.

Township Insurance Coverage:

- The premium for property and casualty insurance will increase by approximately 2.5% to \$297,000 in 2007.
- The premium for workers compensation insurance will increase by approximately 6% to \$482,000 in 2007. One of the components of the workers compensation premium is the experience rate over the past three years. The Township's experience modification has increased over the past few years due to the volume and extent of its workers compensation cases. It was noted that the number of compensation cases during 2006 have decreased appreciably, and there are no employees currently on workers compensation.

- The premium increase for medical and prescription is approximately 2% to \$1,450,000 (significantly below the national average).

#### UPDATE ON STATE LEGISLATION:

##### Local Services Tax Bill:

Governor Rendell vetoed a bill that would have required employers to collect a \$52.00 local services tax in per-paycheck installments, instead of in a single sum. He did so because cities around the state had expressed concern over the short timeline to comply and adapt their already-adopted budgets to account for revenues they would lose under the changes.

##### County-wide Earned Income Tax Collection:

- No action has taken place on this proposed legislation during the past month.
- The members of the Committee were provided with a timetable based upon enactment of this legislation by the end of 2006 although Mr. Bleemer noted that passage of the bill will probably not take place this year.
- The Finance Department will continue to monitor the situation.
- Mr. Bleemer issued letters to State Representatives expressing Upper Dublin Township's opposition to this matter approximately three weeks ago.
- If the law should pass and collection of EIT is taken over at the county level, Upper Dublin would certainly have to reduce its staff by two or three persons.
- Because the Township would still be involved with collecting the EIT, at least one employee would have to be retained to perform the work involved therewith.

Mr. Pesavento explained that if the bill were to be passed, Montgomery County itself would contract the work out to a third party.

Mr. Mermelstein suggested and the Committee agreed that a resolution should be drawn up documenting Upper Dublin's opposition to the proposed legislation.

#### QUESTIONS/COMMENTS:

Mr. Feldman noted that the Township Solicitor had written a letter regarding the collection of EIT from non-residents.

Mr. Derr opined that the Solicitor may not have considered the contractors, builders, etc. who come into the Township and work on projects for as long as a year or two. He asked that Mr. Bleemer look into this matter further.



ADJOURNMENT:

Mr. Mermelstein motioned, with Mr. Feldman seconding, to adjourn the meeting.

VOTE ON MOTION

ALL YES

MOTION CARRIED

Respectfully submitted,

Louise S. Birett  
Louise S. Birett, Recording Secretary

Attest:

Chester Derr  
Chester Derr, Chairperson

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A meeting of the Committee on Economic Development was held on Tuesday, April 24, 2007, in the Upper Dublin Township Building; Chester Derr presiding.

In attendance were Commissioners Chester Derr, Jules Mermelstein and Ronald Feldman as well as Jonathan Bleemer, Finance Director; and Gilbert High, Solicitor.

Mr. Derr convened the meeting by asking those present to pledge allegiance to the flag.

MOVE TO ACCEPT MINUTES OF NOVEMBER 14, 2006 MEETING OF THE ECONOMIC DEVELOPMENT COMMITTEE WITHOUT READING:

Mr. Mermelstein motioned, with Mr. Feldman seconding, to accept the Minutes of the November 24, 2006 meeting of the Economic Development Committee without reading:

VOTE ON MOTION

ALL YES

MOTION CARRIED

FINANCE DIRECTOR'S REPORT:

Earned Income Tax (EIT):

- During the first quarter of 2007, the Finance Department mailed 17,000 2006 EIT final returns and 7,000 2007 quarterly returns.
- Administration of the completed final returns takes approximately 2 months following the April 17<sup>th</sup> deadline.
- Although state law requires that refunds be issued within 75 days, taxpayers in Upper Dublin will receive their EIT refunds within 30 days of filing their return under most situations.
- During the first quarter of 2007, the EIT office filed an additional 21 civil complaints with the District Justice office for unpaid taxes. To date, 13 of the accounts have been settled resulting in the collection of \$27,535.
- To date, the EIT office has collected more than a million dollars in delinquent EIT since the more aggressive program began in June of 2003.
- In an effort to enhance EIT compliance, Mike Pontician, Code Enforcement Officer, visited every building in the Fort Washington Office Park and took photographs of the business directories. The EIT staff cross referenced the directories with the Township's database and sent notices to 28 businesses that were missing from the Township roles. Of those businesses, 21 have already responded.
  - Mr. Feldman interjected that if the Township can prove fraud, the businesses are liable for every year they did not file an EIT return.
- The Finance Department now receives copies from the Code Enforcement Department of all Certificate of Occupancy permits requested from new businesses in the Township.
  - Mr. Feldman explained that he contacted the state to determine that if an outside contractor brings a construction trailer into the Township and uses it during a prolonged building project, the contractor would also be liable to pay 1% EIT.
  - Mr. High advised that there is no case law to refer to regarding payment of EIT by outside contractors. In the case of Business Privilege taxes, courts have ruled that a trailer is not a place of business. If an effort is going to be made to collect EIT from individuals or businesses, there has to be a consistent effort to collect from everyone. To pick on those

that are easily seen or because someone has taken out a permit is going to be subject to question.

- Mr. High was asked to investigate this issue.
- Mr. Bleemer was asked to look into a mechanism whereby the EIT could be collected from outside contractors or determine if it is administratively prohibitive.
- Mr. High noted that whatever the Township decides, a comprehensive program for collection should be determined.
- The Fire Marshal is preparing a listing of all business tenants in the Township to be shared with the EIT office and the Police Department.
- Wachovia Bank has been contacted regarding acceptance of electronic EIT payments from larger businesses in the Township.
- Although legislation providing for the consolidation of the EIT collection was not passed last year, the topic seems to continue to be a priority in Harrisburg, and the bill will probably be readdressed this year. When reintroduced, the Township will contact all four of our representatives with its position.

#### Emergency and Municipal Services Tax (EMST):

- In fiscal 2006, the Township received \$677,118 in EMST revenues (\$125,000 in excess of budget).
- During the final return process, a small portion of this amount may be refunded due to the low income exemption or double payments.

#### Township Audit:

- Bee Bergvall & Co. has completed their independent audit of the Township and Fort Washington Fire Company.
- Required audit reports have been submitted to the Pennsylvania Department of Community and Economic Development.
- The audit will be discussed with the Board of Commissioners (BOC) at the Stated Meeting in May.

#### Sale of Kenyon Drive Property:

- Proceeds from the sale of the Township owned property on Kenyon Drive in the amount of \$148,875.00 were received and deposited into the principal balance of the Community Redevelopment Fund.

#### Employee Update:

- The three employees from the Finance Departments who were involved in a car accident on February 26<sup>th</sup> have returned to work.

#### Update on Sewer Rents:

- As of the end of March 2007, 60 properties in the Township remain with balances due on their sewer rents totaling approximately \$90,000.
- Of the remaining delinquent amounts, liens have been filed against property owners for all but a small portion of the balance due.
- Liens will be collected as property owners refinance their mortgages or sell their properties.

ADJOURNMENT:

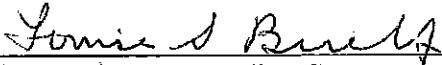
Mr. Mermelstein motioned, with Mr. Feldman seconding, to adjourn the meeting at 6:50.

VOTE ON MOTION

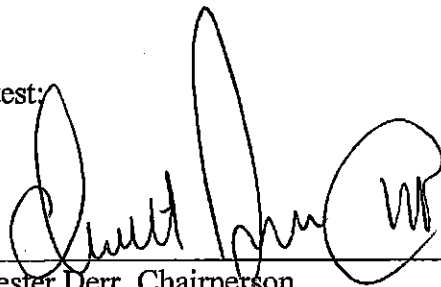
ALL YES

MOTION CARRIED

Respectfully submitted,

  
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Louise S. Birett, Recording Secretary

Attest:

  
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Chester Derr, Chairperson

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A meeting of the Committee on Economic Development was held on Tuesday, October 23, 2007, in the Upper Dublin Township Building; Chester Derr presiding.

In attendance were Commissioners Chester Derr, Jules Mermelstein and Ronald Feldman as well as Jonathan Bleemer, Finance Director.

Mr. Derr convened the meeting by asking those present to pledge allegiance to the flag.

MOVE TO ACCEPT MINUTES OF APRIL 24, 2007 MEETING OF THE ECONOMIC DEVELOPMENT COMMITTEE WITHOUT READING:

Mr. Mermelstein motioned, with Mr. Feldman seconding, to accept the Minutes of the April 24, 2007 meeting of the Economic Development Committee without reading:

VOTE ON MOTION

ALL YES

MOTION CARRIED

FINANCE DIRECTOR'S REPORT:

Earned Income Tax (EIT):

- During 2007, the EIT office has filed an additional 21 civil complaints with the District Justice's office for unpaid taxes as the department continues to concentrate on the collection of delinquent EIT. Through the use of direct mailings, civil complaints, payment plan agreements and wage attachments, the department is continuing to reduce the number of delinquent accounts.
- In 2007, the EIT department has collected over \$195,000 through the above measures and over \$1,070,000 since the more aggressive program began in June of 2003.
- The department has just completed its annual audit of resident taxpayer filings.
- In September, the EIT staff attended the annual state conference of EIT collectors. The major topic of discussion was two bills in Harrisburg proposing countywide tax bureaus. There is an alternative bill being considered that consolidates tax collection at the school district level. The association of tax collectors supports the alternative bill and has prepared a position paper in support of the bill. Mr. Bleemer plans to forward this paper to the state officials representing Upper Dublin.

When Mr. Feldman asked if the Township is collecting EIT taxes from the GMAC employees, Mr. Bleemer assured that even though the Township has not received a payment yet, he will continue to follow-up and make sure that payments are received.

2008 Draft Budget:

- Much of October has been spent drafting the 2008 Township budget. The initial draft budget document will be distributed to the Board of Commissioners (BOC) at the Stated Meeting in November.
- The schedule for budget hearings is set forth below:

TUESDAY, NOVEMBER 27, 2007	
6:00 – 6:30 p.m.	BOC/Administration/Finance
6:30 – 7:00 p.m.	Police
7:00 – 8:00 p.m.	Library

<b>SATURDAY, DECEMBER 1, 2007</b>	
8:00 – 8:30 a.m.	Code Enforcement/Fire Marshal
8:30 – 10:00 a.m.	Parks and Recreation/Open Space Projects
10:00 – 11:00 a.m.	Public Works/Sanitation
11:00 a.m. – 12:00 noon	Fleet and Facilities/Buildings
12:00 – 12:30 p.m.	Lunch
12:30 – 2:30 p.m.	Capital Projects
2:30 – 3:30	Fort Washington Fire Company/Fire Services Administrator

<b>TUESDAY DECEMBER 4, 2007</b>	
6:00 – 9:00 p.m.	Follow-up Items and Revenue Issues (CRF)

These schedules will be posted on the Township's website and on TV channel 22.

Commerce Bank:

- Commerce Bank manages and invests the Township proceeds from the sale of the sanitary sewer system.
- The purchase of Commerce Bank by Toronto Dominion Bank should not affect the Township's account, and the Commerce Bank name will continue in this region. Mr. Bleemer will continue to monitor the merger.
- While the Township does have some bonds invested with Commerce Bank, the Township is not locked into them in any way.

DISCUSSION ITEMS:

Establishment of 401 (a) Money Purchase Plan with ICMA Retirement Corporation:

- The Township currently offers a 457 Deferred Compensation Plan through the ICMA Retirement Corporation to all employees. By Federal regulation, the maximum allowable contribution into an individual's account is \$20,500 annually for someone who is 50 years or older.
- The BOC has agreed to contribute 10% of the Township Manager's salary into a deferred compensation plan. Through a combination of the agreed upon employer contribution and the Manager's voluntary contribution from his pay, the 2007 amount has exceeded the \$20,500 limit. By opening a 401 (a) plan, the limit on deferred compensation amounts will double to \$41,000 annually. The Manager will be able to receive his agreed upon employer paid deferred compensation and contribute a portion of his own pay.
- At this time, the 401 (a) will be available only to the Township Manager..

Mr. Mermelstein motioned, with Mr. Feldman seconding, to recommend approval by the BOC of the establishment of 401 (a) Money Purchase Plan with ICMA Retirement Corporation.

VOTE ON MOTION

ALL YES

MOTION CARRIED

Act 7 of 2007 that Amends the Emergency and Municipal Services Tax (EMST):

- The state has enacted Act 7 which amends the Local Tax Enabling Act to make changes to the existing EMST. Effective January 1, 2008, the tax name will be changed to the Local Services Tax (LST)
- The Township Solicitor will be asked to draft an ordinance for adoption at the Stated Meeting in December 2007.



Purchase of New EIT Software:

- The EIT software was purchased in 1990, and it is showing its age.
- Mr. Bleemer has seen a demonstration of two different products and likes them both. He will obtain quotes for the BOC's perusal.

ADJOURNMENT:

Mr. Mermelstein motioned, with Mr. Feldman seconding, to adjourn the meeting at 6:45 p.m.

VOTE ON MOTION


ALL YES

MOTION CARRIED

Respectfully submitted,

  
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Louise S. Birett, Recording Secretary

Attest:

  
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Chester Derr, Chairperson