

**BOROUGH OF LANSDALE  
OPERATIONAL AND FINANCIAL CONTROLS  
REVIEW AND EVALUATION**

**PREPARED BY**

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6. Title to Borough Vehicle used by F. Lee Mangan
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## **I. BACKGROUND AND OVERVIEW OF FINDINGS**

The Borough of Lansdale engaged our Firm, EisnerAmper, to determine:

1. If the operational and financial controls of the Borough are functioning effectively to safeguard Borough assets, promote efficient use of Borough assets, and assure compliance with applicable laws and regulations.
2. The extent to which transactions have occurred resulting in mismanagement, waste, and misuse of Borough assets.

Our review encompassed all funds of the Borough and its component units, namely the North Penn Regional Council of the Arts, Lansdale Development Foundation, Lansdale Parking Authority and the Lansdale Library Association for calendar years 2007 through 2009 and other periods as necessary. Following is a summary of our findings:

1. We did not uncover any acts of misappropriation or personal dishonesty perpetrated by former Borough Manager, F. Lee Mangan (Mr. Mangan) or any other Borough employee.
2. We did uncover situations in which Mr. Mangan was negligent in his duties resulting in mismanagement, waste and misuse of Borough assets.
3. Mr. Mangan was provided the opportunity to manage the Borough, without recourse for his actions, resulting from:
  - a. Borough Ordinance No. 1257, dated April 21, 1982, empowering the Borough Manager as Purchasing Officer. However, the Borough does not have formalized purchasing policies and procedures.



- d. Required documentary support for use of Borough credit cards, in particular, expenditures for food, travel and entertainment expenses.
5. The budgeting process is not clearly defined and, haphazard at best, resulting in the following during years 2005 through 2009 inclusive:
    - a. Governmental operating deficits approximating \$5.5 to \$7.7 million annually requiring interfund transfers, principally from the electric fund, to fund the deficit operations.
    - b. Fund balances have declined \$7,600,000.
    - c. Interfund transfers, not budgeted, to the Downtown Renewal Fund, totaling \$3,282,000 during the years 2007 -2008-2009.
6. Financial reporting is inadequate, and, even non-existent, in order to make informed economic decisions as follows:
    - a. Council, on an interim basis, receives a monthly Treasurer's Report. This report comprises cash balances only and, thus, an incomplete presentation of financial position, results of operations and operating results as compared to budget.
    - b. The Borough provides financial and other support to component units such as the North Penn Regional Council of the Arts and the Lansdale Development Foundation. However, the Borough does not require any accountability in the form of financial reporting of the use of such support.

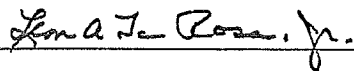
7. There are no formalized procedures, nor is it a regular practice, to verify that the purchases of equipment, goods, supplies, etc. are valid as to specific items ordered, quantities, price, condition upon receipt, and purchased within budget.
  
8. There are no formalized procedures to verify that the purchase of professional services are valid as to the completeness of services provided, rates charged or other agreed upon invoicing standards, and purchased within budget. Mr. Mangan routinely approved such non verified payments.

The procedures performed were limited to the documents and information provided through December 15, 2010. Documents or information obtained subsequent to December 15, may impact our findings and conclusions. Accordingly, we reserve the right to revise or supplement our analysis should we receive any additional information, which would impact our findings and conclusions.

EisnerAmper LLP's consulting services were performed in accordance with the American Institute of Certified Public Accountants ("AICPA") Statement on Standards for Consulting Services and do not constitute an engagement to provide audit, review, compilation, or attest services as described in the pronouncements on professional standards issued by the AICPA.

This report may be used by Timothea Kirchner and members of Council of The Borough of Lansdale only in the instant matter.

EisnerAmper LLP



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Leon A. LaRosa, Jr., CPA, CFE, CFF

## **II. PROCEDURES PERFORMED**

A. Reviewed the following:

### **FINANCE**

1. Comprehensive Annual Financial Report – Years 2009 through 2005
2. Proposed Budget – all Funds – Years 2009 through 2005
3. Details of Interfund Transfers – Years 2009 through 2007
4. Monthly Treasurer's Report to Borough Council
  - a. January 2009
  - b. June 2009
  - c. December 2009
5. Checks over \$1,000 presented to Borough Council
  - a. January 2009
  - b. June 2009
  - c. December 2009

## **ADMINISTRATION**

1. Operations Assessment Report, Prepared by McCullough Consulting Group, LLC, Dated June 28, 2010
2. Minutes of Borough Council – Years 2009 through 2007
3. Minutes of Finance Committee – Years 2009 through 2007
4. Borough Ordinances – Years 2009 through 1970, in particular, those related to the Borough Manager’s qualifications and duties.
5. Various Electronic Records downloaded from the computers used by F. Lee Mangan and Linda Rufe – Years 2009 through 1997
6. Statements of Financial Interests – Years 2009 through 2006
7. F. Lee Mangan Employment Agreement, Dated March 19, 2008
8. Timothea Kirchner Employment Agreement, Dated May 27, 2010

## **PROCUREMENT**

1. Borough Code, Commonwealth of Pennsylvania
2. Vendor Payment Listing – all Funds – Years 2009 through 2007
3. Contracts for selected vendors – Years 2009 through 2007
4. Bids related to contracts for selected vendors – Years 2009 through 2007
5. Proof of Publication for bid advertisement – selected vendors – Years 2009 through 2007
6. Invoices relating to selected vendors – Years 2009 through 2007

## **NORTH PENN REGIONAL COUNCIL OF THE ARTS**

1. Organization Documents
2. Charitable Organization Registration
3. Board Minutes – Years 2009 through 2006
4. Reviewed Financial Statements – Year 2008 and 2009
5. Various internally prepared Financial Statements – Years 2009 and 2008
6. Financial Details – Borough of Lansdale Downtown Renewal Fund – Years 2009 through 2007
7. Expenditures, canceled check copies, etc. – Years 2009 and 2008
8. Various invoices for professional services paid by the Borough of Lansdale
9. Various copies of bank deposit slips and cash receipts records –Years 2009 and 2008
10. Payroll Report, Dated December, 29, 2009
11. Lease agreement with the Borough of Lansdale, Dated December 17, 2008
12. Marja Kaisla Employment Agreement, Dated January 8, 2009
13. Market Feasibility Study, Dated October, 2004

## **LANSDALE DEVELOPMENT FOUNDATION**

1. Organization documents
2. By Laws
3. Meeting minutes pre and post formation
4. Various federal and state tax filings
5. Financial statements – Years 2005 through 1988
6. Various transaction documents – Years 2006 through 2000
7. Various Bank Statements and/or cancelled checks – Years 2009 through 2006
8. Ed Pontier's Employment Agreement
9. F. Lee Mangan approvals for the Borough to pay certain Lansdale Development Foundation expenses.
10. Submissions to Board for payment of Ed Pontier's salary and expenses
11. Delinquency notices from Harleysville Bank related to Ed Pontier installment loan
12. Several files for Ed Pontier's development projects in Florida and Arizona
13. Contracts for various design and architectural services
14. Designs for and proposals to Merck related to the Lansdale Technology Park Hotel and Conference Center
15. Train Station area development proposals from various builders
16. Downtown Area Low Interest Loan Program related documents

B. Conducted interviews of the following Borough Employees:

Timothea Kirchner, Borough Manager

Linda Rufe, Administrative Assistant II

Sandra Cox, Open Records Officer

Brian Shapiro, Director of Finance

Tracy Flynn, Communication Coordinator

Cindy Leach, Office Supervisor, Lansdale Police Department

Daniel Shinskie, Superintendent, Waste Water Treatment Plant

Jacob Ziegler, Director of Utilities

Carl Sadutti, Jr., Director of Parks and Recreation

Deborah Wade, Payroll Administrator

C. Performed research as follows:

Government Accounting Standards Board Statement No. 14 – Component Units of the Primary Government.

Department of the Treasury Internal Revenue Code and Regulations – sections related to:

- Gross income – inclusions and exclusions
- Taxability of employee benefits
- Personal use of employer-owned automobiles
- Required support for travel and entertainment expenses
- Taxpayer identification number and certification
- Common law control rules – employee v. independent contractor



D. Compiled the following financial data:

1. Schedule of operations – governmental funds, years 2009 through 2005.
2. Schedule of operations – enterprise funds, years 2009 through 2005.
3. Summary of interfund transfers, years 2009 through 2007.
4. Schedule of expenses paid with Borough owned credit card, years 2007 through 2009.
5. Schedule of Borough expenditures not properly bid, years 2007 through 2009.
6. Schedule of independent contractors not issued form 1099's, years 2007 through 2009.
7. Schedule of source and use of Downtown Renewal Funds used for the North Penn Regional Council of the Arts, years 2007 through 2009.

### III. FINDINGS

#### A. FINANCE

1. The governmental funds, comprised principally of the general fund, continue to incur annual operating deficits prior to transfers from non-governmental funds. Such operating deficits have approximated \$5.5 to \$7.7 million annually.

During the years 2005 through 2009, as a result of such operating deficits, fund balances in the governmental and enterprise funds have decreased \$7,622,351 as follows:

	Governmental Funds <u>(Exhibit A)</u>	Enterprise Funds <u>(Exhibit B)</u>	<u>Total</u>
Balance, January 1, 2009	\$11,541,876	\$29,081,706	\$40,245,582
Balance, December 31, 2005	<u>14,365,407</u>	<u>33,880,526</u>	<u>48,245,933</u>
Total Increase (Decrease)	<u>\$(2,823,531)</u>	<u>\$(4,798,820)</u>	<u>\$(7,622,351)</u>

Interfund transfers, principally from the electric fund, have been used to fund the deficit operations of the general fund and the operations of the North Penn Regional Council of the Arts, in the form of a pass - through from the Borough's Downtown Renewal Fund. (Exhibit C).

2. The budgeting process is not clearly defined and, haphazard at best as follows:

<b>Governmental Funds (Exhibit A)</b>					<b>%Over/(Under)</b>
	<b>Year</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>
<b>Taxes</b>	2005	\$2,461,000	\$2,825,765	\$364,765	14.8%
	2006	2,509,800	2,622,984	113,184	4.5%
	2007	3,162,737	3,438,213	275,476	8.7%
	2008	3,698,040	3,803,172	105,132	2.8%
	2009	3,465,000	3,796,136	331,136	9.6%
<b>Interest &amp; Rent</b>	2005	\$100,000	\$654,165	\$554,165	554.2%
	2006	100,000	479,641	379,641	379.6%
	2007	130,000	623,479	493,479	379.6%
	2008	130,000	380,422	250,422	192.6%
	2009	90,000	70,747	(19,253)	-21.4%
<b>Grants</b>	2005	\$328,000	\$1,073,826	\$745,826	227.4%
	2006	329,000	1,239,926	910,926	276.9%
	2007	341,250	1,986,461	1,645,211	482.1%
	2008	343,900	1,538,948	1,195,048	347.5%
	2009	334,700	1,422,658	1,087,958	325.1%
<b>Borough Administration</b>	2005	\$1,074,957	\$1,074,957	\$ -0-	0.0%
	2006	958,083	960,564	2,481	0.3%
	2007	1,031,858	1,031,858	-0-	0.0%
	2008	1,014,185	1,248,645	234,460	23.1%
	2009	1,107,100	1,371,935	264,835	23.9%
<b>Highways</b>	2005	\$1,164,461	\$1,455,064	\$290,603	25.0%
	2006	1,093,661	1,464,417	370,756	33.9%
	2007	1,184,900	1,550,422	365,522	30.8%
	2008	1,187,825	1,594,228	406,403	34.2%
	2009	1,289,900	1,540,262	250,362	19.4%
<b>Capital Outlay</b>	2005	\$ -0-	\$833,806	\$833,806	NC
	2006	-0-	1,638,449	1,638,449	NC
	2007	-0-	2,862,123	2,862,123	NC
	2008	-0-	4,121,139	4,121,139	NC
	2009	-0-	1,527,964	1,527,964	NC

NC – Not Calculable

<b>Enterprise Funds (Exhibit B)</b>					<b>%Over/(Under)</b>
	<b><u>Year</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>	<b><u>Budget</u></b>
<i>Sewer Rents</i>	2005	\$2,457,000	\$2,306,104	\$(150,896)	(6.1%)
	2006	2,460,000	2,148,267	(311,733)	(12.7%)
	2007	2,330,000	2,374,013	44,013	1.9%
	2008	2,160,000	2,990,543	830,543	38.5%
	2009	2,500,000	3,071,605	571,605	22.9%
<i>Electrical Service G&amp;A</i>	2005	\$5,479,852	\$1,290,602	\$(4,189,250)	(76.4%)
	2006	6,685,192	1,198,156	(5,487,036)	(82.1%)
	2007	2,400,400	1,236,150	(1,164,250)	(48.5%)
	2008	1,835,345	1,144,606	(690,739)	(37.6%)
	2009	2,045,000	1,180,640	(864,360)	(42.3%)
<i>Sewer Service G&amp;A</i>	2005	\$1,154,950	\$727,731	\$(427,219)	(37.0%)
	2006	1,189,847	734,663	(455,184)	(38.3%)
	2007	1,046,400	763,582	(282,818)	(27.0%)
	2008	1,099,272	800,502	(298,770)	(27.2%)
	2009	831,200	748,596	(82,604)	(9.9%)
<i>Cost of Rental Property</i>	2005	\$106,000	\$28,585	\$(77,415)	(73.0%)
	2006	104,300	23,269	(81,031)	(77.7%)
	2007	104,300	27,871	(76,429)	(73.3%)
	2008	107,300	29,985	(77,315)	(72.1%)
	2009	39,000	49,849	10,849	27.8%

3. Monthly financial reports to Borough Council, also known as the Treasurer's Report, (Exhibit D) is an incomplete presentation of financial position, results of operations, and operating results as compared to budget. Therefore, this report does not provide Borough Council or members of the Finance and Administration Committee with meaningful information to make financial and other decisions.
4. The Borough has provided financial and other support to both the North Penn Regional Council of the Arts and the Lansdale Development Foundation. However, neither organization has provided any financial statements in the form of financial position, results of operation and cash flows to the Borough.

## **B. ADMINISTRATION**

Questions have arisen regarding the specific duties and responsibilities of the Borough Manager. Such questions arise from the following:

1. Employment (severance) agreement of former Borough Manager, F. Lee Mangan (Exhibit G).
  
2. Borough Ordinance No. 1257, dated April 21, 1982, (Exhibit F) empowering the Borough Manager as Purchasing Officer with the ability to purchase any and all supplies and equipment under legal procurement limits without the approval of Council and without reference to budgetary guidelines. Such responsibility creates weakness in the internal control environment as the Borough Manager should not be the chief procurement officer.
  
3. Borough Ordinance No. 1015, dated May 4, 1972, (Exhibit L) empowers the Borough Manager with the ability to hire, suspend, or discharge any employee of the Borough (with certain exceptions, for example, police) without the approval of Council. Such responsibility creates weaknesses in the internal control environment as the Borough Manager should not be the human resource director.

## C. PROCUREMENT

1. The Borough has not been consistently compliant with Section 1402 of the Borough Code (Exhibit H) for purchases of equipment, supplies services (other than professional services), ect. as follows:
  - a. Purchases in excess of \$4,000 have not been supported with at least 3 telephonic or written bids.. (Exhibit K).
  - b. Purchases in excess of \$10,000 have not been supported with the required bid advertisement process in newspapers of general circulation (Exhibit K).
  
2. Our review of invoices from over 130 vendors during the years 2007, 2008 and 2009 revealed there is no evidence that purchases of equipment, supplies, etc have been verified as to the following:
  - Specific item ordered
  - Quantity
  - Price
  - Mathematical accuracy
  - Confirmation of delivery
  
3. Contracts for professional services, authorized by former Borough Manager F. Lee Mangan permit payments as follows:
  - a. Additional service of consultants and reimbursable expenses at amounts greater than out of pocket costs incurred by the professional service firm (Exhibit I).
  - b. Contingent fees based upon a final construction budget rather than payment for professional hours worked at agreed upon hourly rates (Exhibit I).

- c. On a time and material basis at standard hourly rates without details of hourly rates (Exhibit J).
  - d. Project completion costs without details of work completed, hours charged, rates charged, etc. (Exhibit J).
4. The Borough makes purchases in excess of \$25,000 per year from a business owned by a former member of Borough Council (Exhibit K). The Borough should refrain from doing business with members of Council unless they can demonstrate such purchases are at the lowest price and meet all requirements of quality, acceptance, etc.
5. The Borough requires Council approval for all expenditures in excess of \$1,000. However, this policy is not consistently followed as invoices are often paid prior to Council approval.



**D. HUMAN RESOURCES**

1. Certain employees are receiving fringe benefits which are not being reported as compensation on annual Form W-2. Such examples include:
  - a. Tuition reimbursements – such payments are to be included in taxable income unless the employer has a formal tuition reimbursement policy. The Borough, as noted in the employee handbook, does not have such a policy (Exhibit M). Therefore, such payments are taxable under Section 127 of the Internal Revenue Code (Exhibit N).
  - b. Health care waivers – such payments are made in lieu of participating in the Borough’s health care plan. Such payments are taxable under Section 61 of the Internal Revenue Code (Exhibit N).
  - c. Education bonuses – such payments have been awarded as additional compensation. These payments are taxable under Internal Revenue Code Section 61 (Exhibit N)
  - d. Personal use of automobile – certain employees of the Borough, other than law enforcement, have the use a Borough vehicle for both business and personal needs (Exhibit O). Such personal use is not being identified and, therefore, the value of such is not being reported as taxable income as required by Internal Revenue Service Regulation 161 – 21 (b) (2) (Exhibit O-1).

2. Certain employees utilize credit cards in the name of the Borough. During the years 2007 through 2009, there were credit card purchases in the amount of \$13,000 that were not supported with an appropriate invoice and/or receipt (Exhibit P). Furthermore, when using the credit cards for travel and entertainment expenses, documentary support does not meet the requirements of Internal Revenue Code Section 274 (d). Such documentary evidence requires not only a receipt, but also documentation as to the time and place, business purpose, business relationship of persons being entertained, etc. (Exhibit P-1)
3. Payment for services provided by an independent contractor totaling \$600 or more on an annual basis must be reported on Form 1099 (Exhibit Q-1). Compliance with this law has been inconsistent (Exhibit Q).
4. The Borough does not consistently obtain independent contractor agreements from those contractors providing services to the Borough. In the absence of such, contractors are deemed common law employees of the Borough in which the Borough has the right to control and direct the services of the contractor. Consequently, the contractor enjoys all the rights of a Borough employee, and the Borough must report their payments on annual Form W-2, withhold taxes, and pay all required employer based payroll taxes (Exhibit R).
5. The Borough is not requesting a taxpayer identification number from individuals and partnerships doing business with the Borough. The penalty for failure to obtain this information on Form W-9 is \$50 for each such failure (Exhibit S).

## E. NORTH PENN REGIONAL COUNCIL OF THE ARTS – FINDINGS

1. During the years 2007 through 2009, the Borough provided the following financial and administrative support to the North Penn Regional Council of the Arts:
  - a. \$3,282,000 in interfund transfers from the General Fund and Electric Fund to the Downtown Renewal Fund. These funds were used for construction and rehabilitation of the former Masonic Lodge and related engineering and other contracted services (Exhibit T). The Borough has not required any accountability of the use of such Borough funds.
  - b. 1.00 annual lease for 20,000 square feet in a building previously known as The Masonic Hall.
  - c. Various payments for professional fees to the Borough Solicitor and independent auditor to assist with organizational and other tax exempt required filings.
  - d. Records storage and maintenance at the Borough Hall free of charge.
  - e. Bill paying and other financial services by Borough personnel free of charge.
  - f. Management oversight by the previous Borough Manager, F. Lee Mangan, free of charge.

2. As noted in Exhibit U, the Borough, on March 12, 2009, made a \$75,000 contribution to the North Penn Regional Council of the Arts. However, as noted in a special meeting of Borough Council, dated September 3, 2008 (Exhibit U-1), as per former Borough Manager F. Lee Mangan:
  - a. The \$75,000 contribution would come from Borough reserves, specifically, utility reserves.
  - b. This \$75,000 contribution was to be disbursed on a matching fund basis and that the Borough would not provide this funding to the North Penn Regional Council of the Arts until the Council demonstrated that it had obtained its portion of the matching funds.

However, as noted in Exhibits U-2 and U-3, both the financial statements and Form 990, Return of Organization Exempt Form Income Tax reveals that the North Penn Regional Council of the Arts received the \$75,000 contribution from the Borough of Lansdale even though the North Penn Regional Council of the Arts did not receive the matching funds required for this contribution, as approved by Borough Council on September 3, 2008 (Exhibit U-1).

The Borough has not required, nor has it received, any accountability of the financial and administrative support it has provided to the North Penn Regional Council of the Arts.

**F. LANSDALE DEVELOPMENT FOUNDATION – FINDINGS**

1. During the years 2000 through 2009, following is the source and use of funds for the Lansdale Development Foundation:

**SOURCE OF FUNDS**

Gannett stock	\$201,000
Merck Foundation grant	150,000
Coffee shop lease rental and other	<u>89,780</u>
	<u>440,780</u>

**USE OF FUNDS**

<b>Pontier compensation and benefits</b>	<b>300,774</b>
Professional fees	60,979
SEPTA lease rental and other	<u>79,000</u>
	<u>440,753</u>

**FUNDS AVAILABLE – Nov '09** \$ 27

2. The Borough of Lansdale provided the following to the Lansdale Development Foundation:
- a. Payment of \$2,123 in expenses.
  - b. Records storage and maintenance.
  - c. Bill paying and financial services.
  - d. Management oversight by the previous Borough Manager, F. Lee Magan, free of charge.

The Borough has not required, nor has it received, any accountability of the financial and administrative support it has provided to the Lansdale Development Foundation.

3. Ed Pontier, while working on Lansdale Development Foundation time and being paid over \$300,000 was also providing consulting services for development projects in Florida and Arizona. Pontier's contract is included in Exhibit V.

#### IV. RECOMMENDATIONS

- A. Adopt recommendations in the McCullough Consulting Group LLC Report, dated June 28, 2010 and presented to Council on August 4, 2010.
- B. Develop specific job duties and responsibilities for the Borough Manager and adopt related ordinances.
- C. Require monthly and year to date financial reporting of actual results compared to budget for all Borough Governmental and Enterprise Funds (see Exhibit E).
- D. Eliminate use of all Borough credit cards.
- E. Require all payments for goods and/or services be approved by the Borough Administration and Finance Committee prior to release for payment.
- F. Require all contracts for professional services be approved by Borough Council after review and approval by the Borough Solicitor.
- G. Require any payment request for purchases of goods or services be initially verified for specific items(s) ordered, quantity, price, mathematical accuracy, delivery confirmation, and within budget.

- H. Require strict adherence to all laws related to the use of independent contractors.
  
- I. Require strict adherence to required federal laws for reporting of employee benefits.
  
- J. Require interim and annual financial reporting, meeting minutes, operating plans, etc. from any entity receiving financial and/or administrative support from the Borough.
  
- K. Segregate the procurement and human resource functions into separate departments reporting to the Borough Manager (see Exhibit W).
  
- L. Adopt a Code of Business Ethics and Conduct to be signed annually by each member of Borough Council, the Borough Manager and each Borough Department Head.





**BOROUGH OF LANSDALE**  
**SCHEDULE OF OPERATIONS - GOVERNMENTAL FUNDS (\*)**  
**YEARS 2009 - 2008 - 2007 - 2006 - 2005**

	2009		2008		2007		2006		2005	
	Budget	Variance	Actual	Variance	Budget	Actual	Budget	Actual	Budget	Actual
<b>Revenues</b>										
Taxes	\$ 3,465,000	\$ 311,136	\$ 3,803,172	\$ 105,132	\$ 3,162,237	\$ 3,438,213	\$ 2,509,800	\$ 2,622,984	\$ 2,461,000	\$ 2,825,765
Licenses & Permits	388,600	62,384	426,474	73,874	188,800	172,343	184,000	292,570	186,000	186,749
Fines & Forfeiture	100,000	(8,459)	109,324	4,224	105,000	128,813	100,000	129,837	100,000	100,844
Interest & Rent	90,000	(19,253)	70,747	4,224	130,000	623,479	100,000	479,641	100,000	654,165
Grants & Gifts	334,700	1,087,938	343,900	250,422	341,250	1,986,461	329,000	1,209,926	328,000	1,073,826
Departmental Earnings	438,200	49	438,249	(5,950)	438,880	422,930	412,405	420,675	415,780	420,869
Parking Collections & Rentals		116,100		82,192		82,192		12,182		39,311
Library Deposits		55,127		57,503		53,985		58,523		52,228
Unrealized Gain/(Loss)										4,209
Reimbursements & Misc.	600,000	54,339	727,000	67,877	719,467	771,081	692,000	778,700	691,000	730,434
<b>Total Revenue</b>	<b>5,421,500</b>	<b>1,679,381</b>	<b>7,653,842</b>	<b>1,830,422</b>	<b>5,083,850</b>	<b>7,654,143</b>	<b>4,327,205</b>	<b>6,038,193</b>	<b>4,281,780</b>	<b>6,088,400</b>
<b>Expenditures</b>										
Current										
Borough Administration	1,107,100	264,835	1,371,935	234,460	1,031,858	1,031,858	938,083	960,564	1,074,957	1,074,957
Police Department	4,096,800	(105,734)	3,991,066	30,096	3,686,372	3,686,372	3,308,531	3,308,531	3,393,213	3,393,213
Health & Sanitation										
Highways/Public Works	1,299,900	250,362	1,340,262	(75,483)	1,030,806	10,306	43,410	43,410	53,064	53,064
Code, Planning & Zoning	350,300	169,580	519,880	406,403	1,184,900	1,550,422	1,093,661	1,464,417	1,164,461	1,455,064
Parks & Recreation	1,189,200	(3,593)	1,191,793	102,071	1,042,393	1,042,393	303,786	303,786	279,384	279,384
Library	457,025	(3,593)	453,432	9,709	1,095,893	1,095,893	999,207	997,976	1,011,415	1,011,415
Public Services	280,300	165,465	445,765	18,399	461,740	491,288	1,185,717	1,575,934	1,189,784	1,843,889
Capital Outlay		1,527,946		4,121,139		2,862,123		426,030		352,776
Debt Service										
Principal	1,006,241	26,199	1,032,440	380,038	1,009,756	1,338,039	1,185,717	1,575,934	1,189,784	1,843,889
Interest & Other Charges		473,402		503,401		539,238		597,186		983,784
Other					834,475		713,519	(713,519)	306,519	
<b>Total Expenditures</b>	<b>9,776,866</b>	<b>2,730,265</b>	<b>12,507,131</b>	<b>5,839,411</b>	<b>8,975,686</b>	<b>13,151,733</b>	<b>8,605,914</b>	<b>11,713,992</b>	<b>8,472,797</b>	<b>11,699,848</b>
<b>Excess (deficit) revenues before Interfund Transfers</b>	<b>(4,355,366)</b>	<b>(1,050,884)</b>	<b>(4,853,289)</b>	<b>(4,008,989)</b>	<b>(3,711,961)</b>	<b>(5,497,590)</b>	<b>(4,278,709)</b>	<b>(5,685,799)</b>	<b>(4,191,017)</b>	<b>(5,611,448)</b>
Other Financing Sources (Uses)										
Transfers In	5,000,000	2,508,590	7,508,590	4,206,180	4,190,560	9,198,055	4,263,494	7,747,497	3,893,324	7,126,936
Transfers Out	(808,078)	(1,508,755)	(2,316,833)	(2,405,088)	(1,301,014)	(2,701,295)	(1,196,570)	(1,849,039)	(1,004,233)	(2,838,782)
<b>Total Other Financing Sources (Uses)</b>	<b>4,191,922</b>	<b>999,835</b>	<b>5,191,757</b>	<b>1,801,092</b>	<b>2,889,546</b>	<b>6,496,760</b>	<b>3,066,924</b>	<b>5,898,458</b>	<b>2,889,091</b>	<b>4,288,174</b>
<b>Net Change in Fund Balance</b>	<b>(163,444)</b>	<b>(51,049)</b>	<b>(214,493)</b>	<b>(2,207,897)</b>	<b>(6,601,507)</b>	<b>999,170</b>	<b>(1,212,085)</b>	<b>212,659</b>	<b>(1,301,926)</b>	<b>(1,322,274)</b>
Beginning of Year Fund Balance			11,756,359	14,253,962		13,234,792		13,042,133		14,365,407
<b>End of Year Fund Balance</b>	<b>\$ 11,592,915</b>	<b>\$ 11,242,309</b>	<b>\$ 11,542,866</b>	<b>\$ 12,046,065</b>	<b>\$ 4,481,358</b>	<b>\$ 14,234,962</b>	<b>\$ 13,251,928</b>	<b>\$ 13,254,792</b>	<b>\$ 12,939,652</b>	<b>\$ 13,043,133</b>

(\*) Per Comprehensive Annual Financial Reports and Proposed Budgets



**BOROUGH OF LANSDALE**  
**SCHEDULE OF OPERATIONS - ENTERPRISE FUNDS (\*)**  
**YEARS 2009 - 2008 - 2007 - 2006 - 2005**

	2009		2008		2007		2006		2005	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Operating Revenues</b>										
Charges for Services										
Sales of Electricity										
Residential	\$ 7,200,000	\$ 7,201,270	\$ 7,488,910	\$ 7,479,474	\$ 5,200,000	\$ 6,181,766	\$ 4,600,000	\$ 5,615,802	\$ 4,031,000	\$ 5,696,014
General Services	6,300,000	6,361,482	6,399,055	6,573,817	4,650,000	5,236,089	4,400,000	4,891,275	4,099,000	4,536,335
Primary	4,700,000	4,647,294	5,200,000	5,099,796	4,000,000	4,153,590	3,751,000	3,972,363	3,411,000	3,741,695
Sewer Reim	2,500,000	3,071,605	2,160,000	2,890,543	2,330,000	2,374,013	2,480,000	2,148,267	2,457,000	3,206,104
Total Charges for Services	20,700,000	21,281,651	21,247,965	22,143,630	16,180,000	17,945,458	15,211,000	16,628,207	13,998,000	16,300,148
Penalties	232,000	295,179	187,000	474,312	184,000	567,435	162,000	276,098	157,000	419,695
Miscellaneous Service & Rentals	530,000	288,680	274,000	242,315	250,000	352,134	254,800	335,119	277,000	177,024
Total Operating Revenue	21,462,000	21,865,510	21,708,965	22,860,257	16,614,000	18,865,027	15,627,800	17,239,424	14,432,000	16,896,867
<b>Operating Expenses</b>										
Cost of Providing Electrical Service										
Purchased Power	11,250,000	11,530,065	12,276,000	10,248,073	8,800,000	9,425,739	8,322,000	8,529,007	6,050,000	8,354,781
Transmission	72,000	47,646	73,000	78,001	75,000	63,699	74,000	70,011	69,000	93,738
Distribution	1,133,200	1,082,567	1,153,000	1,129,084	1,121,000	1,372,465	1,074,000	1,209,685	1,045,500	1,021,451
Customer Accounts	417,000	446,007	402,300	392,786	384,300	473,704	356,500	382,940	344,600	350,230
Administrative & General	2,045,000	1,180,640	1,835,345	1,144,606	2,400,400	1,236,150	6,685,192	3,193,156	5,479,852	1,290,602
Cost of Providing Sewer Service										
Sanitary Sewers	430,500	265,587	431,900	365,579	437,400	301,716	433,400	262,500	462,520	281,281
Disposal Plant	1,845,600	1,694,352	1,512,600	1,665,963	1,729,300	1,459,804	1,409,300	1,434,816	1,330,300	1,408,852
Administrative & General	831,200	748,596	1,099,272	800,502	1,046,400	763,582	1,189,847	734,663	1,154,950	727,731
Cost of Maintaining Rental Property	39,000	49,849	107,300	29,985	104,300	27,871	104,300	23,269	106,000	28,585
Depreciation	922,247	922,247	922,247	636,652	618,083	618,083	618,083	628,481	609,165	669,165
Total Operating Expenses	18,063,500	17,967,556	18,890,717	16,491,231	16,098,100	15,742,813	19,649,539	14,473,528	16,042,722	14,226,466
Operating Income (Loss)	3,418,500	3,897,954	2,818,248	6,369,026	515,900	3,122,214	(4,021,739)	2,765,896	(1,610,722)	2,670,401
<b>Non-Operating Revenues</b>										
State Grant	155,000	46,504	435,000	56,625	440,000	7,486	192,000	688,999	175,000	463,705
Interest Earned	155,000	57,408	435,000	276,826	440,000	724,880	192,000	688,999	175,000	(37,740)
Total Non-Operating Revenues	155,000	103,912	435,000	333,451	440,000	732,366	192,000	692,784	175,000	425,965
<b>Income (Loss) before Interfund Transfers</b>	3,573,500	4,001,866	3,253,248	6,702,477	955,900	3,854,580	(3,829,739)	3,458,680	(1,435,722)	5,096,366
<b>Interfund Transfers</b>	(5,000,000)	(5,191,757)	(3,253,248)	(5,223,357)	(955,900)	(6,496,760)	3,829,739	(4,712,741)	1,435,722	(4,288,174)
<b>Change in Net Assets</b>	(1,426,500)	(1,189,891)	1,479,120	3,449,229	-	(2,642,180)	2,898,680	7,288,419	-	(1,191,808)
<b>Beginning of Year Net Assets</b>	30,271,597	30,271,597	28,792,477	28,792,477	31,434,657	31,434,657	31,434,657	31,434,657	31,434,657	31,434,657
<b>End of Year Net Assets</b>	\$ 29,081,706	\$ 29,081,706	\$ 30,271,597	\$ 30,271,597	\$ 28,792,477	\$ 28,792,477	\$ 31,434,657	\$ 31,434,657	\$ 32,688,718	\$ 32,688,718

(\*) Per Comprehensive Annual Financial Reports and Proposed Budgets

BOROUGH OF LANSDALE  
SUMMARY OF INTERFUND TRANSFERS  
YEAR 2007

Interfund Transfers From (To)	General Fund	Electric Fund	Sewer Fund	Parking Fund	Capital Projects Fund	Downtown Renewal Fund	Debt Service Fund	Library Fund	Other Governmental Funds	Total
General Fund	\$ -	\$(4,190,560)	\$ -	\$ 514,320	\$ 786,694	\$ -	\$ 1,009,756	\$ 390,525	\$ -	\$ (1,489,265)
Electric Fund	4,190,560	-	-	-	-	2,033,000	-	-	-	6,223,560
Sewer Fund	-	-	-	-	-	-	273,200	-	-	273,200
Parking Fund	(514,320)	-	-	-	-	-	-	-	-	(514,320)
Capital Projects Fund	(786,694)	-	-	-	-	-	-	-	-	(786,694)
Downtown Renewal Fund	-	(2,033,000)	-	-	-	-	-	-	-	(2,033,000)
Debt Service Fund	(1,009,756)	-	(273,200)	-	-	-	-	-	-	(1,282,956)
Library Fund	(390,525)	-	-	-	-	-	-	-	-	(390,525)
Other Governmental Funds	-	-	-	-	-	-	-	-	-	-
<b>Total Transfers</b>	<b>\$ 1,489,265</b>	<b>\$(6,223,560)</b>	<b>\$(273,200)</b>	<b>\$ 514,320</b>	<b>\$ 786,694</b>	<b>\$ 2,033,000</b>	<b>\$ 1,282,956</b>	<b>\$ 390,525</b>	<b>\$ -</b>	<b>\$ -</b>

BOROUGH OF LANSDALE  
SUMMARY OF INTERFUND TRANSFERS  
YEAR 2008

Interfund Transfers From (To)	General Fund		Electric Fund	Sewer Fund	Parking Fund	Capital Projects Fund	Downtown Renewal Fund	Debt Service Fund	Library Fund	Other Governmental Funds	Total
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
General Fund	-		\$(4,941,485)	-	\$ 503,220	\$ 1,016,000	\$ 921,796	\$ 1,042,767	\$ 390,525	-	\$ (1,067,177)
Electric Fund	4,941,485		-	-	-	-	-	-	-	-	4,941,485
Sewer Fund	-		-	-	-	-	-	281,872	-	-	281,872
Parking Fund	(503,220)		-	-	-	-	-	-	-	(50,000)	(553,220)
Capital Projects Fund	(1,016,000)		-	-	-	-	-	-	-	-	(1,016,000)
Downtown Renewal Fund	(921,796)		-	-	-	-	-	-	-	-	(921,796)
Debt Service Fund	(1,042,767)		-	(281,872)	-	-	-	-	-	-	(1,324,639)
Library Fund	(390,525)		-	-	-	-	-	-	-	-	(390,525)
Other Governmental Funds	-		-	-	50,000	-	-	-	-	-	50,000
<b>Total Transfers</b>	<b>\$ 1,067,177</b>		<b>\$ (4,941,485)</b>	<b>\$ (281,872)</b>	<b>\$ 553,220</b>	<b>\$ 1,016,000</b>	<b>\$ 921,796</b>	<b>\$ 1,324,639</b>	<b>\$ 390,525</b>	<b>\$ (50,000)</b>	<b>\$ -</b>

BOROUGH OF LANSDALE  
SUMMARY OF INTERFUND TRANSFERS  
YEAR 2009

Interfund Transfers From (To)	Downtown										Total
	General Fund	Electric Fund	Sewer Fund	Parking Fund	Capital Projects Fund	Renewal Fund	Debt Service Fund	Library Fund	Other Governmental Funds		
General Fund	\$ -	\$ (5,000,000)	\$ (51,384)	\$ 373,078	\$ 360,000	\$ 186,989	\$ 1,006,241	\$ 390,525	\$ -	\$ (2,734,551)	
Electric Fund	5,000,000	-	-	-	-	140,373	-	-	-	5,140,373	
Sewer Fund	51,384	-	-	-	-	-	-	-	-	51,384	
Parking Fund	(373,078)	-	-	-	-	-	-	-	-	(373,078)	
Capital Projects Fund	(360,000)	-	-	-	-	-	-	-	-	(360,000)	
Downtown Renewal Fund	(186,989)	(140,373)	-	-	-	-	-	-	-	(327,362)	
Debt Service Fund	(1,006,241)	-	-	-	-	-	-	-	-	(1,006,241)	
Library Fund	(390,525)	-	-	-	-	-	-	-	-	(390,525)	
Other Governmental Funds	-	-	-	-	-	-	-	-	-	-	
<b>Total Transfers</b>	<b>\$ 2,734,551</b>	<b>\$ (5,140,373)</b>	<b>\$ (51,384)</b>	<b>\$ 373,078</b>	<b>\$ 360,000</b>	<b>\$ 327,362</b>	<b>\$ 1,006,241</b>	<b>\$ 390,525</b>	<b>\$ -</b>	<b>\$ -</b>	

**BOROUGH OF LANSDALE  
TREASURER'S REPORT  
AS OF DECEMBER 31, 2009**

TD Bank		
Operating Account	\$	2,101,781.90
Credit Card Deposit Account		166,099.91
Citizens Bank		
Utility Payment Lockbox Account		1,091,541.42
Payroll Account		32,408.26
Harleysville National Bank		2,171,301.64
PLGIT		1,649,386.12
Wachovia		210,164.11
US Bank		3,204,533.88
PLUS: Deposit in Transit (TD Bank)	\$	60,991.86
Deposit in Transit (Credit Cards)		21,723.17
LESS: Outstanding Checks - Accounts Payable		(1,198,266.69)
Outstanding Checks - Payroll		(25,685.95)
		9,485,979.63
<b>Cash In Bank</b>	<b>\$</b>	<b>9,485,979.63</b>
Beginning Balance	\$	10,395,565.49
ADD: Receipts/Transfers		4,684,101.07
LESS: Disbursements/Transfers		(5,593,686.93)
		9,485,979.63
<b>Ending Balance - Total per Borough</b>	<b>\$</b>	<b>9,485,979.63</b>
Credits and Debits to be Recorded in Subsequent Month:		
<b>Reconciled Lansdale Borough Balance</b>	<b>\$</b>	<b>9,485,979.63</b>



BOROUGH OF LANSDALE  
 GOVERNMENTAL FUND (\*)  
 STATEMENT OF REVENUES AND EXPENDITURES  
 FOR THE MONTH OF \_\_\_\_\_ AND THE YEAR TO DATE ENDED \_\_\_\_\_

	Month of _____, 2011		Year to Date Ended						
	Current		Prior		Current		Prior		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
<b>Revenues</b>									
xxxxxxx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
xxxxxxx									
xxxxxxx									
xxxxxxx									
<b>Total Revenues</b>	-	-	-	-	-	-	-	-	-
<b>Expenditures</b>									
xxxxxxx									
xxxxxxx									
xxxxxxx									
<b>Total Expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Revenues over (under) Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(\*) Reported as separate fund and in total for all funds.

**BOROUGH OF LANSDALE**  
**ENTERPRISE FUND (\*)**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**FOR THE MONTH OF \_\_\_\_\_ AND THE YEAR TO DATE ENDED \_\_\_\_\_**

	Month of _____, 2011			Year to Date Ended				
	Current		Prior		Current		Prior	
	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
<b>Revenues</b>								
xxxxxxx	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
xxxxxxx								
xxxxxxx								
xxxxxxx								
<b>Total Revenues</b>	-	-	-	-	-	-	-	-
<b>Expenditures</b>								
xxxxxxx								
xxxxxxx								
xxxxxxx								
<b>Total Expenditures</b>	-	-	-	-	-	-	-	-
<b>Revenues over (under) Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(\*) Reported as separate fund and in total for all funds.

ORDINANCE NO. 1257

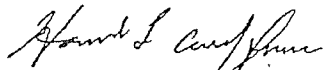
AN ORDINANCE AMENDING ORDINANCE 1142 AUTHORIZING THE BOROUGH MANAGER TO MAKE PURCHASES UP TO CERTAIN LIMITATIONS.

SECTION I. It is hereby enacted and ordained by the Borough Council of Lansdale that Ordinance 1142 of 1977, in particular Section Q, of the powers of the Borough Manager shall be amended to read as follows:

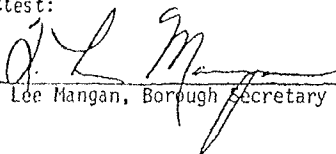
He shall be the purchasing officer of the Borough and shall purchase, in accordance with the provisions of the Borough Code, all supplies and equipments of the various agencies, boards, departments and other offices of the Borough. He shall keep an account of all purchases and shall, from time to time when directed by Council, make a full, written report thereof. He shall have the power to purchase supplies and equipment for the use of the Borough; provided, however, that no single article or purchase shall be in excess of the limitations as set forth in the Borough Code, more particularly, Section 53 P.S. 46402.

ORDAINED AND ENACTED by the Borough Council of the Borough of Lansdale, this 21st day of April, 1982.

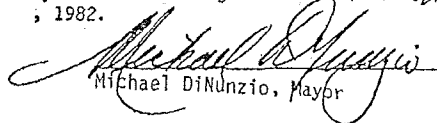
BOROUGH OF LANSDALE

  
Howard L. Cauffman  
Council President

Attest:

  
J. Lee Mangan, Borough Secretary

APPROVED by the Mayor of the Borough of Lansdale this 21st day of April, 1982.

  
Michael DiNunzio, Mayor

0

BOROUGH OF LANSDALE, PA.

COUNCIL, MOTION, RESOLUTION OR AS-OF-RECORD FORM

Motion ( )

Resolution ( )

No. ....

Record statement ( )

Date March 19, 2008

Check one of the above with an (X)

I move that: -

Borough Council approve the F. Lee Mangan severance agreement based on a 3.5 salary increase dated March 19, 2008.

Presented by [Signature] Councilman
Seconded by [Signature] Councilman

Guest Schuurig

SEVERANCE AGREEMENT AND CONDITIONS OF EMPLOYMENT

THIS AGREEMENT, made and entered into this 19<sup>th</sup> day of March, 2008, by and between the Borough of Lansdale, Montgomery County, State of Pennsylvania, a municipal corporation, hereinafter called the "Borough", as the party of the first part, and F. LEE MANGAN, hereinafter called "Employee", as the party of the second part, both whom understand and agree as follows:

WITNESSETH:

WHEREAS, the Borough desires to employ the services of F. Lee Mangan as Borough Manager;

WHEREAS, it is the desire of Borough Council to provide certain benefits, establish certain conditions of employment, and to set working conditions and severance provisions for said Employee;

WHEREAS, it is the desire of Borough Council to (1) secure and retain the services of Employee and to provide inducement for him to remain in such employment and (2) to make possible full work productivity by assuring Employee's morale and piece of mind with respect to severance and other employee benefits; and

WHEREAS, Employee desires to continue employment as Borough Manager of the Borough.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. DUTIES

A. Borough hereby agrees to employ Employee as Borough Manager of the Borough to perform the function and duties specified in Lansdale Borough Ordinance 998 and to perform such other legally permissible and proper duties and functions as the Borough Council shall from time to time assign.

B. As valuable consideration in exchange for this Agreement, Employee agrees to forego pursuit of other employment opportunities for the term of this Agreement, which the parties acknowledge exist and could result in compensation, benefits and other emoluments greater than those set forth in this Agreement.

SECTION 2. TERM

A. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Borough Council to terminate the services of Employee at any time.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with the Borough.

C. This Agreement will be for an initial term of two (2) years beginning as of April 1, 2008, and ending March 31, 2010, and shall continue thereafter for two-year periods unless either party provides written notice of the intention not to renew this Agreement ninety (90) days' prior to the expiration date. In the event that written notice is given to the Employee by the Borough of its intention not to renew this Agreement, then this Agreement shall expire pursuant to the terms and conditions of this paragraph, and upon the expiration date, or sooner if mutually agreed to by the parties, Employee shall have the right to cease the performance of any Borough duties, and shall be entitled to receive a lump sum severance payment equivalent to two (2) weeks of his final salary as of the expiration date for every year of service completed. The aforesaid lump sum payment shall be paid to the Employee within ten (10) business days.

### SECTION 3. TERMINATION AND SEVERANCE PAY

A. In the event that Employee's employment is terminated by the Borough Council other than for "Cause" as defined in Section 3(B) below during such time that Employee is willing and able to perform the duties as Borough Manager, then Employee shall be entitled to receive the Severance Payment set forth in Section 2(C) of this Agreement. Nothing in this paragraph shall be deemed to alter the "at will" relationship between the Employee and the Borough.

B. In the event that Employee's employment is terminated by the Borough Council for Cause, then Employee shall not be entitled to receive a Severance Payment. For purposes of this Agreement, the term for "Cause" shall include the following:

(i) The Employee's repeated failure to satisfactorily perform the Employee's job duties under this Agreement after written notice from the Borough Council and thirty (30) days opportunity to cure;

(ii) Failure by the Employee to comply with all material applicable laws in performing the Employee's job duties or in directing the conduct of Borough business, where such failure has a material adverse effect on the Borough;

(iii) Commission by the Employee of any felony, or intentionally fraudulent act against the Borough or its employees, agents, contractors or citizens, or entering a plea of nolo contendere (or similar plea) to a charge of such an offense;

(iv) The Employee's engaging in acts of misappropriation or personal dishonesty relating to, or involving, the Borough in any material way; or

(v) The Employee's engaging in acts of gross negligence or gross insubordination.

No act, or failure to act, on the part of Employee based upon authority given pursuant to a resolution or ordinance duly adopted by the Borough Council or upon instructions of the Borough Council, or based upon the advice of counsel for the Borough shall be construed to constitute "Cause" within the meaning of this paragraph.

C. In the event Employee voluntarily resigns his position with the Borough before expiration of the aforesaid term of employment, then Employee shall give the Borough sixty (60) days' written notice in advance.

D. In the event that the Employee is terminated for any reason other than cause because of his conviction for any criminal act involving personal gain to him, or in the event that this Agreement is not extended due to written notice given Employee by the Borough pursuant to Section 2C thereof, the Borough agrees not to contest the payment of unemployment compensation benefits to the Employee.

#### SECTION 4. SALARY

Borough agrees to pay Employee for his services rendered pursuant hereto an annual base salary in 2008 of One Hundred 145,524.11, payable in periodic installment at the same time as other employees of the Borough are paid.

In addition, Borough agrees to increase said base salary and/or other benefits of Employee in such amounts and to such an extent as the Borough Council may determine that it is desirable to do so on the basis of an annual salary review of said Employee made at the same time as similar consideration is given other management employees generally. Borough further agrees to consider Employee for merit increases and standard increases as all other management employees are so considered.

#### SECTION 5. DUTIES AND SUBSCRIPTIONS



Borough agrees to budget and to pay the professional dues and subscriptions of Employee necessary for his continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for his continued participation, growth, and advancement and for the good of the Borough.

#### SECTION 6. PROFESSIONAL DEVELOPMENT

A. The Borough hereby agrees to budget for and to pay the travel and subsistence expenses of the Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other functions for the Borough, as may from time to time be approved by the Borough Council, including but not limited to the annual conference of the International City Management Association, the state league of municipalities, and such other national, regional, state and local government groups and committees thereof.

B. Nothing contained in this Section shall in any way limit the capacity of the Borough Council to direct the Borough Manager to attend any meeting, short course, institute, seminar, or similar activity for the benefit of or on behalf of the Borough.

C. In addition to the above, the Borough agrees to budget, on an annual basis, the sum of One Thousand Five Hundred Dollars (\$1,500.00), to be used by and at the sole discretion of the Employee, for Employee's attendance or enrollment at or in short courses, institutes, seminars, or graduate courses reasonably related to Employee's position and duties as Borough Manager of the Borough of Lansdale.

#### SECTION 7. GENERAL EXPENSES

Borough recognizes that certain expenses of a nonpersonal and generally job affiliated nature are incurred by Employee and hereby agrees to reimburse or to pay said general expenses,

up to an amount in conformance with current and future policies of Borough Council contained in the various motions, resolutions, and ordinances of the body.

#### SECTION 8. VACATION, SICK AND MILITARY LEAVE

A. As an inducement to Employee for him to remain as Manager of the Borough, at signature hereof, Employee shall be credited with vacation and sick leave under the currently existing management-employee vacation and sick leave policy. Employee will be further entitled to any additional vacation and sick leave policy benefits given management employees in the future.

B. Employee shall be entitled to military reserve leave time pursuant to state law and existing Borough policy.

#### SECTION 9. DISABILITY, HEALTH AND LIFE INSURANCE

Borough agrees that Employee shall be entitled to the disability, health and life insurance under the same terms and conditions as all other management employees. Employee will be further entitled to any additional disability, health and life insurance benefits given management employees in the future.

#### SECTION 10. AUTOMOBILE

Employee's duties require that he shall have the exclusive and unrestricted use at all times during his employment with Borough of an automobile provided to him by the Borough, Borough shall be responsible for paying the liability, property damage, and comprehensive insurance and for the purchase or lease, operation, maintenance, repair, and regular replacement of said automobile.

#### SECTION 11. RETIREMENT

A. Borough agrees to execute all necessary agreements provided by the International City Management Association-Retirement Corporation (ICMA-RC) for Borough's participation

in said ICMA-RC retirement plan and, in addition to the base salary paid by the Borough to Employee, Borough agrees to pay an amount equal to ten (10) percent of the Employee's base salary into the ICMA-RC on Employee's behalf in equal proportionate amounts each pay period, not to exceed any applicable statutory limits, and to transfer ownership to succeeding employers upon Employee's resignation or discharge.

B. Unless Employee's employment is terminated for Cause, as defined in Section 3(B) above, Borough agrees that Employee shall be entitled to post-retirement disability, health, and life insurance benefits under the same terms and conditions as all other management employees. When Employee is terminated for reasons other than Cause, as defined in Section 3(B) above, Borough shall consider such separation from employment a retirement which ensures Employee's entitlement to the post retirement disability, health and life insurance benefits set forth in the Employee Policy for Non-Union Management Personnel. Employee will be further entitled to any additional post-retirement disability, health, or life insurance benefits given management employees in the future.

C. In the event that the Employee is terminated for any reason other than for Cause as defined in Section 3(B) above, or in the event that the Borough Council exercises its right not to extend this Agreement pursuant to Section 2(C) above, Borough agrees to purchase a life insurance policy on behalf of the Employee in an amount equal to two (2) times the Employee's salary at the time of his separation from employment, payable to the Employee's designated beneficiary. Further, Borough agrees to permit Employee to increase the amount of this insurance to four (4) times the Employee's salary at the time of his separation from employment, provided that Employee pays the difference in premium cost for the increased benefit.

#### SECTION 12. NORMAL RETIREMENT SYSTEM

Employee shall be covered by the normal Borough retirement system in the category of management employees.

**SECTION 13. OTHER TERMS AND CONDITIONS OF EMPLOYMENT**

The Borough Council shall fix any such other terms and conditions of employment as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent or in conflict with the provisions of this Agreement, the Borough Code, or any other law.

**SECTION 14. INDEMNIFICATION**

Beyond that required under Federal, State or Local Law, the Borough shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as Borough Manager or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct.

The Employee may request and the Borough shall not unreasonably refuse to provide independent legal representation at the Borough's expense. Legal representation, provided by the Borough for Employee, shall extend until a final determination of the legal action including any appeals brought by either party. The Borough shall indemnify employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit or proceeding, actual or threatened, arising out of or in connection with the performance of his duties. Any settlement of any claim must be made with prior approval of the Borough in order for indemnification, as provided in the Section to be available.


Employee recognizes that the Borough shall have the right to compromise or settle any claim or suit; unless said compromise or settlement is of a personal nature to Employee. Further, the Borough agrees to pay all reasonable litigation expenses of Employee through the pendency of any litigation to which the Employee is a party, witness or advisor to the the Borough. Such expense payment shall continue beyond Employee's service to the Borough as long as litigation is pending. Further, the Borough agrees to pay Employee reasonable consulting fees and travel expenses when Employee serves as witness, advisor or consultant to the Borough regarding pending litigation.

SECTION 15. GENERAL PROVISIONS

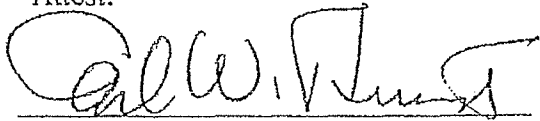
- A. The text herein shall constitute the entire Agreement between the parties.
- B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the Employee.
- C. This Agreement shall become effective retroactively from April 1, 2008.
- D. If any provision, or any portion thereof, contained in his Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable and shall be not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the Borough of Lansdale has caused this Agreement to be signed and executed in its behalf by its President of Council, and duly attested by its Assistant Secretary, and the Employee has signed and executed this Agreement, both in duplicate, the day and year first above written.

BOROUGH OF LANSDALE

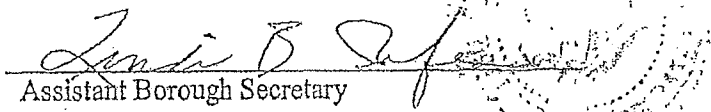
  
\_\_\_\_\_  
President  
Lansdale Borough Council

Attest:



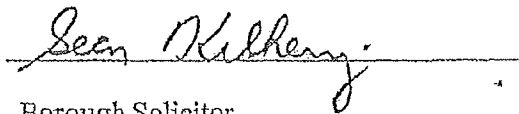
Vice President  
Lansdale Borough Council

Attest:




Assistant Borough Secretary

Approved as to Form:



Borough Solicitor



F. Lee Mangan, Borough Manager Employee

## ARTICLE XIV CONTRACTS

**Section 1401. Power to Make Contracts.**-Each borough may make contracts for lawful purposes and for the purposes of carrying into execution the provisions of this act and laws of the Commonwealth.

**Section 1402. Regulation of contracts.**-(a) All contracts or purchases in excess of ten thousand dollars (10,000), except those hereinafter mentioned, shall not be made except with and from the lowest responsible bidder after due notice in one newspaper of general circulation in the borough, at least two times at intervals of not less than three days where daily newspapers of general circulation are available for such publication, in case of weekly newspapers, such notice once a week for two successive weeks. The first advertisement shall be published not more than forty-five days and the second advertisement not less than ten days prior to the date fixed for the opening of bids. Advertisements for contracts or purchases shall also be posted in a conspicuous place within the borough. Advertisements for contracts and purchases shall contain the date, time and location for opening of bids and shall state the amount of the performance bond determined under subsection (c). The amount of the contract shall in all cases, whether of straight sale price, conditional sale, bailment lease, or otherwise, be the entire amount which the borough pays to the successful bidder or his assigns in order to obtain the services of property, or both, and shall not be construed to mean only the amount which is paid to acquire title or to receive any other particular benefit or benefits of the whole bargain. In awarding contracts, council shall have the right to take into consideration such other factors as the availability, cost and quality of service. ((a) amended Dec. 20, 1966, P.L.1497, No.193)

(a.1) Written or telephonic price quotations, from at least three qualified and responsible contractors shall be requested for all contracts that exceed four thousand dollars (\$4,000) but are less than the amount requiring advertisement and competitive bidding or, in lieu of price quotations, a memorandum shall be kept on file showing that fewer than three qualified contractors exist in the market area within which it is practicable to obtain quotations. A written record of telephonic price quotations shall be made and shall contain at least the date of the quotation, the name of the contractor and the contractor's representative, the construction, reconstruction, repair, maintenance or work which was the subject of the quotation and the price. Written price quotations, written records of telephonic price quotations and memoranda shall be retained for a period of three years. ((a.1) added July 10, 1990, P.L.383, No.90)

(b) (1) The award of contracts shall only be made by public announcement at the meeting at which bids are received, or at a subsequent meeting, the time and place of which shall be publicly announced when bids are received. If for any reason one or both of the above meetings shall not be held, the same business may be transacted at any subsequent meeting if at least five days' notice thereof shall be published in the newspaper aforesaid. At council's request, all bids advertised for shall be accompanied by cash, money order, a certified or cashier's good faith check, or a bond with corporate surety in such amount as council shall determine, and, when requested, no bid shall be considered unless so accompanied.

(2) Notwithstanding clause (1), council may direct that a committee of council, a member of council or a member of the borough staff receive, open and review bids during normal business hours and forward the information to council's for subsequent award at a public meeting. Bidders shall be notified and other interested parties, upon request, shall be notified of the date, time and location of the opening of bids and may be present when the bids are opened.

((b) amended June 26, 1995, P.L.63, No12)





(c) The successful bidder when advertising as required herein may, at the discretion of council, be required to furnish a bond with suitable reasonable requirements guaranteeing the work to be done with sufficient surety in an amount as determined by council which shall be not less than ten percent nor within twenty days after the contract has been awarded, unless council shall prescribe a shorter period of not less than ten days, upon failure to furnish such bond within such time the previous award shall be void. Deliveries, accomplishment and guarantees may be required in all cases of expenditures. ((c) amended Dec. 20, 1996, P.L.1497, No.193)

(d) The contracts or purchases made by council, which shall not require advertising, bidding or price quotations as hereinbefore provided, are as follows: (Intro.par.amended Dec. 18, 1996, P.L.1141, No.171)

(1) Those for maintenance, repairs or replacements for water, electric light or public works of the borough, provided they do not constitute new additions, extensions or enlargements of existing facilities and equipment, but a bond may be required by council, as in other cases of work done;

(2) Those made for improvements, repairs and maintenance of any kind, made or provided by any borough, through its own employes: Provided, That all materials used for street improvement, maintenance and/or construction in excess of four thousand dollars (\$4,000) be subject to the relevant price quotation or advertising requirements contained herein; ((2) amended Dec. 18, 1996, P.L.1141, No.171)

(3) Those where particular types, models or pieces of new equipment, articles, apparatus, appliance, vehicles or parts thereof are desired by council, which are patented and manufactured or copyrighted products;

(3.1) Those for used equipment, articles, apparatus, appliances, vehicles or parts thereof being purchased from a public utility. ((3.1) added Dec. 18, 1996, P.L.1156, No.176)

(4) Those involving any policies of insurance or surety company bonds; those made for public utility service under tariffs on file with the Pennsylvania Public Utility Commission; those made with another political subdivision, or a county, the Commonwealth of Pennsylvania, the Federal Government, any agency of the Commonwealth or the Federal Government, or any municipal authority, including the sale, leasing or loan of any supplies or materials by the Commonwealth or the Federal Government or their agencies. The price thereof shall not be in excess of that fixed by the Commonwealth, the Federal Government, or their agencies;

(5) Those involving personal or professional services.

(e) Every contract for the construction, reconstruction, alteration, repair, improvement or maintenance of public works shall comply with the provision of the act of March 3, 1978 (P.L.6, No.3), known as the "Street Products Procurement Act." ((e) added Oct. 4, 1978, P.L.1022, No.226)

(f) No person, consultant, firm or corporation contracting with the borough for purposes of rendering personal or professional services to the borough shall share with any borough officer or employe, and no borough officer or employe shall accept, any portion of the compensation or fees paid by the borough for the contracted services provided to the borough except under the following terms or conditions:

(1) Full disclosure of all relevant information regarding the sharing of the compensation or fees shall be made to the council of the borough.

(2) The council of the borough must approve the sharing of any fee or compensation for personal or professional services prior to the performance of said services.

(3) No fee or compensation for personal or professional services may be paid at a rate in excess of that commensurate for similar personal or professional services.

(4) No shared fee or compensation for personal or professional services may be paid at a rate in excess of that commensurate for similar personal or professional services.

(f) added Apr. 6, 1980, P.L.95, No.34)

AIA DOCUMENT B151-1997

Abbreviated Standard Form of Agreement Between Owner and Architect

AGREEMENT made as of the  
in the year 2005  
(In words, indicate day, month and year)

31<sup>ST</sup> day of JANUARY

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

BETWEEN the Architect's client identified as the Owner:  
(Name, address and other information)

BOROUGH OF LANSDALE, PA

and the Architect:  
(Name, address and other information)

JAMES J. MURPHY, AIA

For the following Project:  
(Include detailed description of Project)

MASONIC HALL  
313 WEST MAIN STREET  
LANSDALE, PA 19446



© 1997 AIA®  
AIA DOCUMENT B151-1997  
ABBREVIATED OWNER-  
ARCHITECT AGREEMENT

The American Institute  
of Architects  
1735 New York Avenue, N.W.  
Washington, D.C. 20006-5292

The Owner and Architect agree as follows.

11.3.3 For Additional Services of Consultants, including additional structural, mechanical and electrical engineering services and those provided under Subparagraph 3.4.19 or identified in Article 12 as part of Additional Services, a multiple of *Twenty Percent (20)* times the amounts billed to the Architect for such services.

*(Identify specific types of consultants in Article 12, if required.)*

#### 11.4 REIMBURSABLE EXPENSES

For Reimbursable Expenses, as described in Paragraph 10.2, and any other items included in Article 12 as Reimbursable Expenses, a multiple of *Fifteen Percent (15)* times the expenses incurred by the Architect, the Architect's employees and consultants directly related to the Project.

#### 11.5 ADDITIONAL PROVISIONS

11.5.1 If the Basic Services covered by this Agreement have not been completed within ( ) months of the date hereof, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as provided in Subparagraphs 10.3.3 and 11.3.2.

11.5.2 Payments are due and payable ( ) days from the date of the Architect's invoice. Amounts unpaid ( ) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

*(Insert rate of interest agreed upon.)*

*(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Architect's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Specific legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)*

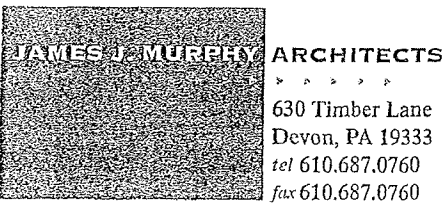
11.5.3 The rates and multiples set forth for Additional Services shall be adjusted in accordance with the normal salary review practices of the Architect.



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ABBREVIATED OWNER-  
ARCHITECT AGREEMENT

The American Institute  
of Architects  
1735 New York Avenue, N.W.  
Washington, D.C. 20006-5292





December 1, 2005

Mr. F. Lee Mangan  
Manager  
Borough of Lansdale  
One Vine Street  
Lansdale, PA 19446

PROPOSAL:           Lansdale Regional Arts Center  
                          313 West Main Street  
                          Lansdale, PA 19446

Dear Mr. Mangan:

James J. Murphy Architects, Inc. is pleased to present this Proposal for Architectural Services for the first phase of facility development for the Lansdale Regional Arts Center.

## I. PROJECT UNDERSTANDING

As architect for the project, we will design and prepare construction level documentation for the first phase of renovation of portions of the above referenced property for use as a Regional Arts Center catering to the performing, literary and visual arts.

Areas of the building affected by the first phase of renovation consist of the lower level, first floor assembly hall, rear, middle and front staircases, lower level corridor, Madison Street façade, Main Street façade (cleaning and repair) and mechanical and structural upgrades necessary for the proposed renovations.

## II. SCOPE OF SERVICES

**Design Phase:** Develop documentation necessary for the renovation of designated portions of the existing structure and additions as follows:

- Consult with EMC Arts, LLC, client's consultant, and client to confirm specific spatial program requirements for the project and develop a written Program for client's approval.
- Integrate Program requirements with alterations necessary to bring the existing structure into compliance with building codes.

- Produce Schematic Design Documents developed from the client approved Program consisting of floor plans and elevations, with outline of materials and finishes for the purposes of cost estimating by a client selected contractor or consultant. Allow for one (1) revision to the design.
- Prepare elevation study of the proposed Madison Street façade.
- Identify structural and mechanical work required for the proposed second phase of renovation and addition.
- Assist client selected contractor or consultant with value engineering.
- Assist in the preparation of a preliminary Budget and Project Schedule with priorities outlined.

**Documentation Phase:** We will prepare construction level documentation, based on the client approved Program, Design Documents, Budget and Project Schedule, consisting of the following:

- Floor plans.
- Reflected ceiling plans as necessary.
- Details, sections, interior and exterior elevations.
- Window and door schedules and finishes.
- Short form specifications.

**Construction Administration:** Architect will be available on an hourly basis to attend meetings during the construction period, provide information, and administer the punchlist.

**Services Not Included:**

- Identification of Hazardous Materials
- Land Surveys
- Forensic Examination of Building Components
- Detailed Cost Estimates
- Graphic Design
- Structural, mechanical, electrical and plumbing documentation
- Renderings and Marketing/Fundraising Materials

### III. COMPENSATION RATES

**Method of Compensation:** The work detailed in the above scope of services will be performed on a fixed fee basis equal to 3.25% of the final construction budget, but not less than \$65,000, plus additional and reimbursable expenses as outlined herein. Services shall be initially invoiced and paid for monthly as a percentage complete of the Estimated Fixed Fee, and later adjusted to 3.25% of the final construction budget. Additional services shall be performed and paid for on an hourly basis.

<b>Estimated Fixed Fee:</b>	
Programming	\$ 6,500
Schematic Design	20,500
Construction Documentation	35,000
Bidding and Negotiation	<u>3,000</u>
	\$65,000

Mr. Mangan  
December 1, 2005  
Page 3

**2005/2006 Hourly Rates:**

Principal	\$130.00
Project Architect	\$95.00
Technical Staff I	\$75.00
Technical Staff II	\$65.00
Technical Staff III	\$55.00
Administration	\$55.00

Services in connection with meetings with designated client representatives and organizations in excess of ten (10) hours total will be billed and paid for on an hourly basis as an Additional Service.

**Reimbursable Expenses** include actual expenditures made in the interest of the project for expenses of fees paid for applications, licenses, permits, transportation, mileage, reproduction, documentation, postage/delivery and communication services. Such reimbursable expenses, excluding those listed below, will be billed to the client and paid for at a multiple of 1.2 times the amount billed to the Architect.

Plot (D size)	\$6.00 per sheet
Facsimiles	\$0.50 per sheet
8 ½ x 11 Printing	\$0.50 per sheet
11 x 17 Printing	\$1.00 per sheet
Mileage	IRS allowance

Consultant time shall be provided to the client and paid for at a multiple of 1.2 times the amount billed to the Architect for such services.

**IV. GENERAL CONDITIONS**

**Terms and Conditions:** We will provide our services in accordance with the terms and conditions of AIA Document B151 Standard Form of Agreement Between Owner and Architect, 1997, except as amended herein. This proposal is valid for a period of 30 days from the date of issue, provided the retainer and an original signed copy of this proposal is received by James J. Murphy Architects, Inc. prior to the expiration of these 30 days; otherwise the proposal is null and void. With regard to potential hazardous materials, the client should consult with a qualified environmental firm.

**Invoices/Statements:** Our invoices/statements for professional fees, services and expenses ordinarily will be rendered to you monthly. We request payment of our invoices/statements within 15 days of the invoice/statement date. Any outstanding balances for which payment has not been received within 15 days of the invoice/statement date will begin to accrue service charges at the rate of 1.25% per month.

If payment of any of our billings is not made within 60 days of the invoice/statement date, James J. Murphy Architects, Inc., and any of its employees, consultants, principals, owners, etc., reserves the right to withdraw as architect to you in any manner in which we are representing you or providing a service to you, and you agree that you will not object to any

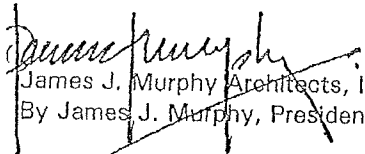
Mr. Mangan  
December 1, 2005  
Page 4

motion or action that James J. Murphy Architects, Inc., and any of its employees, consultants, principals, owners, etc., files with any entity to withdraw from its representation of you or service to you on that ground, including the removal of our Registered Architect seal from governmental permits. Such a withdrawal or notice of withdraw will not affect your obligation to pay James J. Murphy Architects, Inc. the amounts set forth in billing statements and invoices that James J. Murphy Architects, Inc. sends to you.

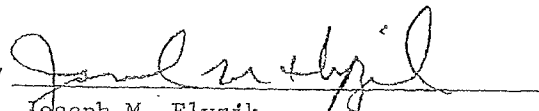
I hope you find this proposal acceptable. If so, please sign one copy and return it to me along with a retainer of \$1,000.00.

Lee, thank you for entrusting us with this commission. I assure you of our best efforts toward the completion of the work.

Sincerely,

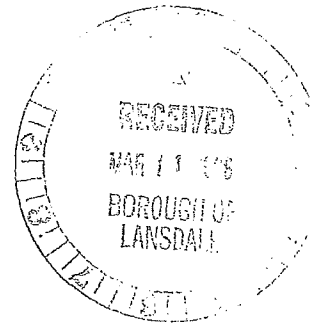
  
James J. Murphy Architects, Inc.  
By James J. Murphy, President  
JJM:mie

Accepted this 3rd day of March 2006

By   
Joseph M. Flyzik  
Lansdale Borough Council President



Planning & Design



February 29, 2008

F. Lee Mangan, Borough Manager  
Borough of Lansdale  
One Vine Street  
Lansdale, PA 19446

Philadelphia  
Coral Gables  
Dallas  
Lake Placid  
New York City  
San Diego  
San Francisco

*Re: Zoning Ordinance Update  
WRT # 00000.00*

Dear Mr. Mangan:

WRT is pleased to submit this proposal to assist the Borough of Lansdale in updating its current Zoning Ordinance. The work will be informed by previous efforts including draft work on the Ordinance by others and the Downtown Destination report. We propose to work closely with the Borough's designated representatives in this effort. WRT understands that the details and a strong local understanding are important to success in this undertaking. Therefore, the firm commits its most seasoned professionals, and those with substantial previous experience in the Borough, to the work. We propose the following individuals for the work:

John Beckman,	Principal-in-Charge
Robert Kerns,	Project Manager
Jonathan Barnett,	Senior Urban Designer
Nancy Oorbeck,	Planner

John Beckman has been involved in Lansdale's downtown revitalization planning, through a number of projects. He will commit the necessary firm resources and provide oversight and quality assurance. Robert Kerns will be the Project Manager and primary contact for the project. We also wanted to confirm that we will complete this project in cooperation with the Montgomery County Planning Commission.





#### SCOPE OF WORK

To start the zoning update process a code assessment and recommendations will be completed to clarify and prioritize the work. Following this assessment a more detailed scope of work will be developed to complete the code revisions. It is our understanding that an update for Lansdale's central business district is the highest priority.

- Task 1: Review Draft Zoning Ordinance & Outline Recommended Changes
- Task 2: Prepare Revisions to the Code
- Task 3: Review & Modify Revisions to the Code
- Task 4: Adopt Revised Zoning Code

Task 1: Review Draft Zoning Ordinance and Outline Recommended Changes

We will review the Draft Zoning Code produced by Thomas Comitta & Associates to determine elements of the code that should be revised. We will prepare a presentation for the Borough outlining our recommendations.

Task 2: Prepare Revisions to the Code

Based on the Borough's responses to Task 1 recommendations we will prepare new ordinance language to address the identified issues. Where appropriate, we will prepare illustrations to improve the legibility and effectiveness of the Code.

Task 3: Review and Modify Revisions to the Code

WRT will send copies of the revised code for review by Borough officials and staff. Following this review, a meeting will be scheduled to receive comments on the revisions. From the Borough's review comments WRT will modify the revised code to reflect the Borough's concerns. After completing the requested modifications, WRT will send a new Draft Zoning Ordinance to the Borough for them to begin the adoption process.

Task 4: Adopt Revised Zoning Code

WRT will attend meetings as requested by the Borough during the adoption process and make any final changes to the Draft Zoning Code as directed by the Borough.



February 29, 2008  
Page 3

**SCHEDULE**

WRT proposes to complete the Task 1 review and recommendations work within three months of authorization to proceed. The full schedule to complete the project will be determined based on the recommendations from Task 1.

**FEE**

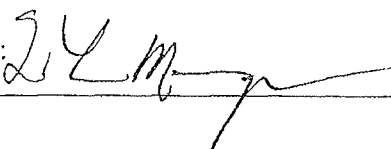
Because the specific work to be produced cannot be determined until a code assessment and recommendations are prepared, we propose this work be completed on a time and materials basis using our standard hourly rates.

We look forward to continuing our work with the Borough of Lansdale. Please sign and return one copy of this letter contract to signify your agreement.

Sincerely,

John Beckman, AICP, PP  
Principal-in-Charge

Robert M. Kerns, Jr., AICP  
Project Director

Lansdale Borough Approval: 

---

RMK:rmk

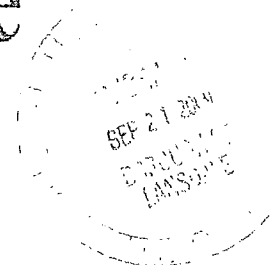


Planning & Design

# Invoice

F. Mangan  
One Vine Street  
Lansdale, PA 19446

September 18, 2009  
Invoice No: 0000005



Project 05773.01 Lansdale Revitalization Plan Update

Period: Through August 30, 2009

**Fee**

Total Fee	36,644.00		
Percent Complete	90.00	Total Earned	32,979.60
		Previous Fee Billing	25,650.80
		Current Fee Billing	7,328.80
		Total Fee	7,328.80

Total Amount Due \$7,328.80

*FLY*

THIS INVOICE IS DUE UPON RECEIPT

Wallace Roberts & Todd, LLC  
1700 Market Street, 26<sup>th</sup> Floor  
Philadelphia, PA 19103

215.732.5215  
www.wrtdesign.com  
fax 215.732.2551





Planning & Design

# Invoice

SEP 21 2009  
RECEIVED  
LANSDALE

Lee Mangan  
Borough of Lansdale  
One Vine Street  
Lansdale, PA 19446

September 18, 2009  
Invoice No: 0000006

Project 06184.01 Lansdale Madison Parking Lot

Period: Through August 30, 2009

Fee

Total Fee	31,000.00		
Percent Complete	90.00	Total Earned	27,900.00
		Previous Fee Billing	24,800.00
		Current Fee Billing	3,100.00
		Total Fee	3,100.00

Total Amount Due \$3,100.00

FLA

THIS INVOICE IS DUE UPON RECEIPT

Wallace Roberts & Todd, LLC  
1700 Market Street, 28<sup>th</sup> Floor  
Philadelphia, PA 19103

215.732.5215  
www.wrtdesign.com  
fax 215.732.2551



LANSDALE BOROUGH  
 PROCUREMENT ANALYSIS SCHEDULE  
 CONTRACTS NOT PROPERLY BID

VENDOR #	VENDOR NAME	Total Payments by Year			Corporation		Approval of	
		2007	2008	2009	>4,000 3 bids	>10,000 Ad	Price	Quantity
1123	ACS GOVERNMENT SYSTEMS	4,029	7,143	1,478	X	-	-	-
1146	Avanti International	-0-	19,049	-0-	-	X	-	-
1762	CDW Government, Inc.	899	12,276	5,874	X	X	-	-
1200	Cody Computer Services	5,650	7,331	6,733	X	-	-	-
1933	Colonial Builders	8,154	7,135	-0-	X	-	-	-
2666	Contract Cleaners Supply	7,595	5,219	5,309	X	-	-	-
2407	DJS Supply	-0-	-0-	6,158	X	-	-	-
2952	Dunigan & Co. Builders	-0-	-0-	6,683	X	-	-	-
1227	Eagles Peak Spring Water	50,674	7,903	5,006	X	X	-	-
1943	Environmental Operating	4,860	-0-	8,249	X	-	-	-
1885	FL Bollinger & Sons	9,999	-0-	-0-	X	-	-	-
1246	Forest Cleaning Services	9,757	25,859	24,329	X	X	-	-
2314	Guidemark Inc.	4,495	1,705	-0-	X	-	-	-
2412	Herb's Janitorial Service	21,538	2,474	-0-	-	X	-	-
2062	Hoffman Painting	-0-	4,575	-0-	X	-	-	-
1289	Indian Valley Appraisal	5,500	500	5,500	X	-	-	-
1585	JML Lawn Service	1,800	1,450	8,700	X	-	-	-
1334	Landis Block & Concrete	4,653	6,911	881	X	-	-	-
1476	Mark Schroding Lawn	-0-	-0-	5,275	X	-	-	-
1401	Oceanport Industries	10,087	-0-	-0-	-	X	-	-
2179	Ten Trac Inc.	7,577	-0-	-0-	X	-	-	-
2116	United Computer Sales & Services	-0-	3,641	72,689	-	X	-	-
2697	Wilson's Hardware Inc.	29,480	36,453	26,739	-	X	-	-
1985	WSG & Solutions	4,500	5,477	-0-	X	-	-	-

X - Section 1402 of the Borough Code Requires Bidding and/or Advertisement for Bids

- - Required Information Not Available

ORDINANCE NO. 1015

AN ORDINANCE OF THE BOROUGH OF LANSDALE AMENDING SUB-SECTION D OF SECTION VI OF ORDINANCE NO. 998 TO VEST THE POWER IN THE BOROUGH MANAGER TO HIRE, SUSPEND AND DISCHARGE ALL BOROUGH EMPLOYEES, WITH THE EXCEPTION OF THOSE DESIGNATED, AND PROVIDING FOR MONTHLY REPORT TO BOROUGH COUNCIL BY THE BOROUGH MANAGER OF ANY SUCH PERSONNEL CHANGES.

Borough Council of the Borough of Lansdale, Montgomery County, Pennsylvania, does hereby enact and ordain:

SECTION I: Sub-Section D of Section VI of Ordinance No. 998 is hereby amended to read as follows:

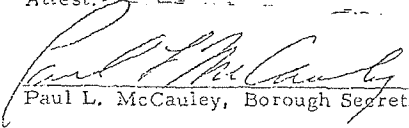
"D. He shall hire, and when necessary for the good of the service, shall suspend or discharge any employee of the Borough except for such appointive offices as are required by law to be filled by Borough Council, such as Borough Treasurer, Borough Solicitor and members of the Police Department, PROVIDED, HOWEVER, that the Borough Manager shall make monthly report to Council of such personnel changes."

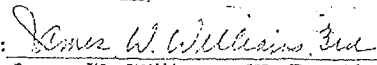
SECTION II: As herein amended, Ordinance No. 998 is hereby ratified and confirmed.

ENACTED AND ORDAINED this fourth day of May, 1972.

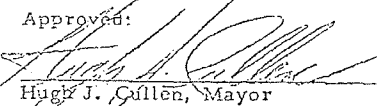
BOROUGH COUNCIL OF THE  
BOROUGH OF LANSDALE

Attest:

  
Paul L. McCauley, Borough Secretary

By:   
James W. Williams, III, President

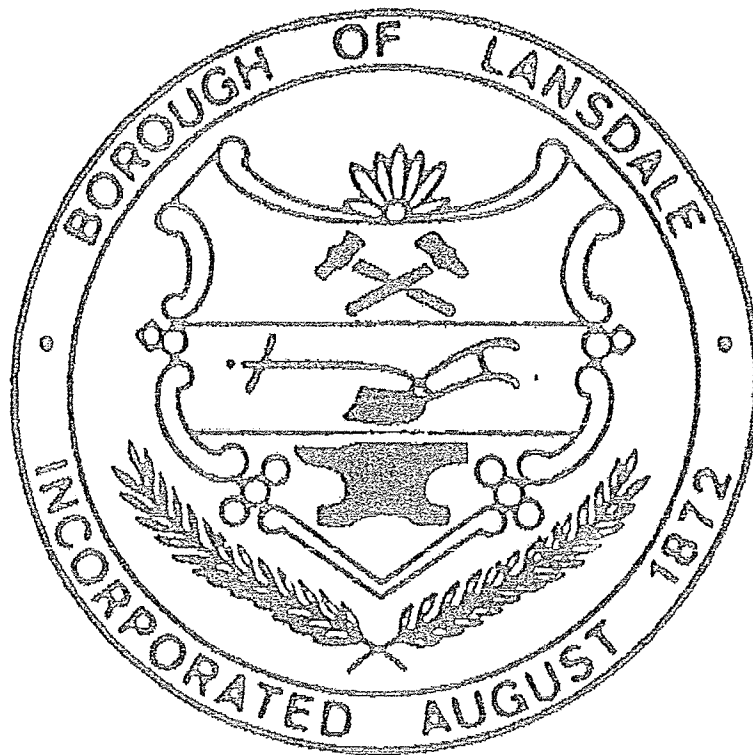
Approved:

  
Hugh J. Gillen, Mayor

Date: May 4, 1972



*BOROUGH OF LANSDALE*



*EMPLOYEE POLICY  
FOR NON-UNION MANAGEMENT  
PERSONNEL*

updated: June 16, 2010  
March 19, 2008  
March 21, 2001  
January 17, 1997

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Code, Regulations, Committee Reports & Tax Treaties

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Subtitle A Income Taxes §§1-1563

Chapter 1 NORMAL TAXES AND SURTAXES §§1-1400U-3

Subchapter B Computation of Taxable Income §§61-291

Part I DEFINITION OF GROSS INCOME, ADJUSTED GROSS INCOME, TAXABLE INCOME, ETC. §§61-68

§ 61 Gross income defined.

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Internal Revenue Code

## § 61 Gross income defined.

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### (a) General definition.

Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, fringe benefits, and similar items;
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and
- (15) Income from an interest in an estate or trust.

### (b) Cross references.

For items specifically included in gross income, see part II ( sec. 71 and following). For items specifically excluded from gross income, see part III ( sec. 101 and following).

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Federal Library

Federal Source Materials

Code, Regulations, Committee Reports & Tax Treaties

Internal Revenue Code

Current Code

Subtitle A Income Taxes §§1-1563

Chapter 1 NORMAL TAXES AND SURTAXES §§1-1400U-3

Subchapter B Computation of Taxable Income §§61-291

Part III ITEMS SPECIFICALLY EXCLUDED FROM GROSS INCOME §§101-140

§127 Educational assistance programs.

---

Internal Revenue Code

**§ 127 Educational assistance programs.**

---

**(a) Exclusion from gross income.**

**(1) In general.**

Gross income of an employee does not include amounts paid or expenses incurred by the employer for educational assistance to the employee if the assistance is furnished pursuant to a program which is described in subsection (b) .

**(2) \$5,250 maximum exclusion.**

If, but for this paragraph, this section would exclude from gross income more than \$5,250 of educational assistance furnished to an individual during a calendar year, this section shall apply only to the first \$5,250 of such assistance so furnished.

**(b) Educational assistance program.**

**(1) In general.**

For purposes of this section, an educational assistance program is a separate written plan of an employer for the exclusive benefit of his employees to provide such employees with educational assistance. The program must meet the requirements of paragraphs (2) through (6) of this subsection .

**(2) Eligibility.**

The program shall benefit employees who qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of employees who are highly compensated employees (within the meaning of section 414(q) ) or their dependents. For purposes of this paragraph, there shall be excluded from consideration employees not included in the program who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and one or more employers, if there is evidence that educational assistance benefits were the subject of good faith bargaining between such employee representatives and such employer or employers.

**(3) Principal shareholders or owners.**

Not more than 5 percent of the amounts paid or incurred by the employer for educational assistance during the year may be provided for the class of individuals who are shareholders or owners (or their spouses or dependents), each of whom (on any day of the year) owns more than 5 percent of the stock or of the capital or profits interest in the employer.

**(4) Other benefits as an alternative.**

A program must not provide eligible employees with a choice between educational assistance and other

remuneration includible in gross income. For purposes of this section , the business practices of the employer (as well as the written program) will be taken into account.

**(5) No funding required.**

A program referred to in paragraph (1) is not required to be funded.

**(6) Notification of employees.**

Reasonable notification of the availability and terms of the program must be provided to eligible employees.

**(c) Definitions; special rules.**

For purposes of this section —

**Caution:** Para. (c)(1), following, was amended by P.L. 107-16, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). For sunset provisions, see Sec. 901, P.L. 107-16 reproduced in history notes for this Code Sec.

**(1) Educational assistance.**

The term "educational assistance" means—

(A) the payment, by an employer, of expenses incurred by or on behalf of an employee for education of the employee (including, but not limited to, tuition, fees, and similar payments, books, supplies, and equipment), and

(B) the provision, by an employer, of courses of instruction for such employee (including books, supplies, and equipment),

but does not include payment for, or the provision of, tools or supplies which may be retained by the employee after completion of a course of instruction, or meals, lodging, or transportation. The term "educational assistance" also does not include any payment for, or the provision of any benefits with respect to, any course or other education involving sports, games, or hobbies.

**(2) Employee.**

The term "employee" includes, for any year, an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).

**(3) Employer.**

An individual who owns the entire interest in an unincorporated trade or business shall be treated as his own employer. A partnership shall be treated as the employer of each partner who is an employee within the meaning of paragraph (2) .

**(4) Attribution rules.**

(A) Ownership of stock. Ownership of stock in a corporation shall be determined in accordance with the rules provided under subsections (d) and (e) of section 1563 (without regard to section 1563(e)(3)(C) ).

(B) Interest in unincorporated trade or business. The interest of an employee in a trade or business which is not incorporated shall be determined in accordance with regulations prescribed by the Secretary, which shall be based on principles similar to the principles which apply in the case of subparagraph (A) .

**(5) Certain tests not applicable.**

An educational assistance program shall not be held or considered to fail to meet any requirements of

subsection (b) merely because—

(A) of utilization rates for the different types of educational assistance made available under the program; or

(B) successful completion, or attaining a particular course grade, is required for or considered in determining reimbursement under the program.

**(6) Relationship to current law.**

This section shall not be construed to affect the deduction or inclusion in income of amounts (not within the exclusion under this section ) which are paid or incurred, or received as reimbursement, for educational expenses under section 117 , 162 or 212 .

**(7) Disallowance of excluded amounts as credit or deduction.**

No deduction or credit shall be allowed to the employee under any other section of this chapter for any amount excluded from income by reason of this section .

**Caution:** Subsec. (d), following, was amended by P.L. 107-16, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). For sunset provisions, see Sec. 901, P.L. 107-16 reproduced in history notes for this Code Sec.

**(d) Cross reference.**

For reporting and recordkeeping requirements, see section 6039D .

END OF DOCUMENT -

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**1. Compensation in lieu of health insurance**

Typically, any compensation or payments given to an individual are subject to taxation. Once the employee receives cash, it all becomes part of taxable compensation. Refer to Publication 15-B Fringe Benefits. "Any fringe benefit you provide is taxable and must be included in the recipient's pay unless the law specifically excludes it."

MISCELLANOUS BOROUGH VEHICLES  
All vehicles are owned by Borough of Lansdale

ADMINISTRATION:

NONE

LANSDALE PARKING AUTHORITY

Parking Meter Enforcement Officer: 1993 Ford Taurus -- business hours only.  
Parking Meter Repair person: 1989 Chevrolet Wagon -- business hours only

CODE ENFORCEMENT:

Director of Code Enforcement: 2002 Ford Explorer -- Used for inspections --  
Apartment Inspector - 2002 Ford Escort -- used for inspections

UTILITIES:

Director of Utilities: 1996 Jeep Cherokee -- 24/7

Superintendent WWTP -- 2002 Ford Explorer 24/7

Supervisor Public Works Department -- 1998 Jeep Cherokee - 24/7

\* Electric Department Union Forman: late 1990's Pick-up truck 24/7

PARKS AND RECREATION DEPARTMENT

Director of Parks and Recreation: 2006 Ford Escape -- 24/7

\* Administrative Assistant -- 1991 Ford Escort -- 24/7

Additional available vehicles

Electric Department:

2 former electric meter cars

1 former police vehicle

\*Union employee



### Personal use of auto

The portion of an employer-provided vehicle used by an employee in the employer's business is referred to as a "working condition fringe benefit" and is excluded from the employee's income [Reg. 1.132-5(b)]. The balance of the auto's use (to the extent not reimbursed by the employee) is considered **personal use** and is a taxable fringe benefit to the employee. Unless the employer elects one of three special valuation rules, personal use of an employer-provided vehicle is valued at fair market value (FMV) based on all facts and circumstances. FMV is the amount the employee would pay in an arm's length transaction to lease the same or comparable vehicle on the same or comparable terms in the geographic area in which the vehicle is available for use [Reg. 1.61-21(b)(2)].

The employee must include in income the FMV (based on either facts and circumstances or, if applicable, the special valuation rule elected by the employer) of the fringe benefit, reduced by (1) the amount, if any, paid for the benefit; and (2) the amount specifically excluded from gross income by statute (i.e., the portion attributable to use in the employer's business) [Reg. 1.61-21(b)(1)]. The employee must report the income even if the employer fails to include it on his Form W-2.

(See Key Issue 15G.) Substantiating vehicle use.

### Personal Use of Cell Phone

The Section 274(d) substantiation rules apply to cell phones. This requires taxpayers to substantiate (prove) the requisite elements of expenditure and use related to the cell phone [Temp. Reg. 1.274-5T(b)(1)]. The elements to be proved include: (1) the amount of the expenditure (i.e., the cost of the **phone** and the cost related to monthly usage); (2) the time (hours and minutes) of business use and total use, based on time actually used; (3) the date of each use; and (4) the business purpose of each use [Temp. Reg. 1.274-5T(b)(6)]. The manner in which the taxpayer proves each of these elements requires written receipts for costs and is best satisfied by a diary or log to provide adequate documentary evidence of the time, date, and business purpose of each use [Temp. Regs. 1.274-5T(c)(1) and (2)].

**BOROUGH OF LANSDALE**  
**COMMERCE BANK/TD BANK VISA #4246-9800-0012-1169 AND #4246-9800-0037-7688**  
**YEAR 2007 - 2008 - 2009**

<u>Year</u>	<u>Month</u>	<u>Amount</u>	<u>Restaurant</u>	<u>Conference</u>	<u>Computer /Software</u>	<u>Gas/Parking</u>	<u>All Other</u>	<u>Amount Not Supported/Receipt</u>
2007	January	\$ 839	\$ 660	\$ -	\$ -	\$ -	\$ 179	\$ 660
	February	341	75	-	53	-	213	53
	March	-	-	-	-	-	-	-
	April	172	70	-	53	33	15	172
	May	1,562	122	683	-	26	731	920
	June	388	-	-	159	-	229	-
	July	227	-	-	53	44	130	97
	August	1,130	-	680	-	-	450	415
	September	1,310	35	-	-	50	1,225	1,081
	October	2,094	255	852	736	25	226	533
	November	1,254	-	206	948	82	18	82
	December	-	-	-	-	-	-	-
	<b>2007 Total</b>	<b>9,317</b>	<b>1,217</b>	<b>2,421</b>	<b>2,002</b>	<b>260</b>	<b>3,416</b>	<b>4,012</b>
2008	January	925	572	-	315	-	38	572
	February	2,238	60	-	1,936	48	195	48
	March	1,341	-	-	1,315	-	26	-
	April	1,013	31	-	982	-	-	733
	May	1,583	135	-	1,336	-	112	1,180
	June	71	-	-	-	35	36	-
	July	1,266	1,231	-	-	-	35	1,195
	August	4,874	-	670	-	-	4,204	486
	September	1,872	-	-	972	35	865	1,267
	October	2,891	-	-	2,890	-	1	-
	November	850	277	-	-	-	573	239
	December	1,119	28	-	-	35	1,056	-
	<b>2008 Total</b>	<b>20,042</b>	<b>2,333</b>	<b>670</b>	<b>9,746</b>	<b>153</b>	<b>7,141</b>	<b>5,720</b>
2009	January	457	261	-	53	-	144	355
	February	2,252	-	-	762	-	1,490	813
	March	427	-	250	177	-	-	55
	April	1,607	53	349	505	35	665	1,555
	May	425	425	-	-	-	-	-
	June	550	83	-	-	-	466	499
	July	267	-	-	178	-	89	-
	August	876	-	-	156	-	720	-
	September	148	-	-	-	-	148	-
	October	127	-	-	-	20	107	-
	November	142	-	-	-	-	142	-
	December	76	-	-	-	-	76	-
	<b>2009 Total</b>	<b>7,354</b>	<b>821</b>	<b>599</b>	<b>1,831</b>	<b>55</b>	<b>4,047</b>	<b>3,276</b>
<b>Total</b>		<b>\$36,713</b>	<b>\$ 4,371</b>	<b>\$ 3,691</b>	<b>\$ 13,579</b>	<b>\$ 468</b>	<b>\$14,604</b>	<b>\$ 13,008</b>

BOUROUGH OF LANSDALE  
 COMMERCE BANK/TD BANK VISA #4246-9800-0012-1169 AND #4246-9800-0037-7688  
 ALL OTHER CHARGES - \$450 AND ABOVE  
 YEAR 2007 - 2008 - 2009

Year	Month	All Other	Dues	Publications	Equipment/Supplies	Education	Misc Community	Card Fees	Other	Description
2007	May	731	86	108	537					
	August	450						35	415	Government Finance Office
	September	1,225			66	90			7	Amazon.com
									39	River Deep Broder Bund
									1,023	DELL Marketing
2008	August	4,204			2,230			35	1,939	Pella Windows and Doors
	September	865			200		250		415	Government Finance Office
	November	573		53	520					
	December	1,056	50	260	726		21			
2009	February	1,490			51		723		716	Koehlers Jewlers
	April	665			155		225		285	PA League of Cities
	June	466			340		32		95	Amazon.com
	August	720	435		250			35		

### Required support for travel and entertainment expenses.

IRC Sec. 274(d), substantiation of travel and entertainment expenses, rules apply to the following expenses incurred for either business or investment purposes: (1) travel, including meals and lodging while away from home overnight or long enough to require rest and sleep; (2) meals or entertainment and recreation activities, including expenses incurred for a facility used in such activities; (3) local transportation expenses; (4) gifts; and (5) those related to listed property defined in IRC Sec. 280F(d)(4). These rules disallow a deduction unless the taxpayer substantiates the following items by maintaining adequate records or by providing other sufficient corroborating evidence:

1. The amount of the expense.
2. The time and place of travel or entertainment.
3. The business purpose.
4. For gifts, a description of the item given and the business relationship to the taxpayer of the person receiving the gift.
5. For entertainment expenses, the business relationship to the taxpayer of the persons entertained.

Table T810 is a summary of what is required by each of these items depending on the type of expense (travel, entertainment, or gift) being substantiated. Table T811 contains a list of deductible travel expenses.

Adequate Records. To meet the adequate records requirement of IRC Sec. 274(d), a taxpayer shall maintain (1) an account book, diary, log, statement of expense, trip sheets, or similar record; and (2) documentary evidence that, in combination, are sufficient to establish each element of an expenditure or use for travel or entertainment [Temp. Reg. 1.274-5T(c)(2)(i)]. However, it is not necessary to record information in an account book, diary, log, statement of expense, trip sheet, or similar record which duplicates information reflected on a receipt so long as the account book, etc. and receipt complement each other in an orderly manner.

Documentary Evidence. Documentary evidence (paid bill, written receipt, or similar evidence) is required to substantiate all T&E expenses of \$75 or more. A written receipt is always required for lodging while traveling away from home, regardless of the amount. However, for transportation charges, documentary evidence is not required if not readily available (e.g., cab fare) [Reg. 1.274-5(c)(2)(iii)].

IRC Sec. 274(a) allows a deduction for expenses incurred for meals or entertainment only if the expenses are (1) directly related to the active conduct of business or (2) associated with the active conduct of business and directly precede or follow substantial business discussions [Regs. 1.274-2(c) and (d)].