

BOROUGH OF SHENANDOAH

PRE 1988 - FINANCIAL HISTORY

1988- FINANCIAL STATUS

ESTIMATED 300-400K UNPAID BILLS

MARCH 30, 1988

BOROUGH PETITIONS DCA FOR DISTRESSED MUNICIPALITY DESIGNATION UNDER ACT 47

APRIL 18, 1988

BOROUGH FILES A PETITION OF MUNICIPAL BANKRUPTCY UNDER CHAPTER 9

DCA STRONGLY ADVISES AGAINST FILING PETITION FOR MUNICIPAL BANKRUPTCY

MAY 20, 1988

DCA SECRETARY DECLARES SHENANDOAH A FINANCIALLY DISTRESSED MUNICIPALITY UNDER ACT 47

FACTORS LEADING TO THE DISTRESSED DETERMINATION WERE AS FOLLOWS:

- 1. A FAILURE OF THE BOROUGH TO PAY OBLIGATIONS IN A TIMELY MANNER AND CONSIDERABLE UNCERTAINTY AS TO THE AMOUNT OF PAST DUE OBLIGATIONS.**
- 2. THE FILING OF A MUNICIPAL DEBT ADJUSTMENT ACTION (FEDERAL BANKRUPTCY FILING) BY THE BOROUGH.**
- 3. AN INABILITY OF THE BOROUGH TO BALANCE ITS 1998 BUDGET DUE TO LARGE, UNANTICIPATED OBLIGATIONS.**
- 4. INEFFECTIVE FINANCIAL MANAGEMENT.**

\$384,299.00 IDENTIFIED IN UNPAID BILLS INCLUDING \$170,065.00 IN DELINQUENT PAYROLL WITHHOLDINGS

JULY, 1988

DCA APPROVES AN EMERGENCY LOAN IN THE AMOUNT OF \$292,100.00

PUBLIC FINANCIAL MANAGEMENT, INC. WAS DESIGNATED AS PLAN COORDINATOR AND CHARGED WITH PREPARING A RECOVERY PLAN FOR THE BOROUGH

RECOMMENDATIONS NOTED IN THE RECOVERY INCLUDED BUT NOT LIMITED TO:

- 1. UPDATED BOROUGH MANAGER ORDINANCE AND CONTINUE EFFORTS TO HIRE ONE.**
- 2. DEVELOP JOB DESCRIPTIONS FOR PERSONNEL.**
- 3. DEVELOP MANUAL FOR PURCHASING, ACCOUNTING AND OTHER ADMINISTRATIVE DUTIES.**
- 4. ANNUAL BUDGET AND FINANCIAL PROCESSES SHOULD BE DOCUMENTED.**
- 5. COMPUTERIZATION OF GARBAGE, SEWER AND PAYROLL ACCOUNTS.**
- 6. EXPAND UTILIZATION OF COMPUTER SYSTEM TO INCLUDE ACCOUNTS PAYABLE.**

REVENUE/ENHANCEMENTS, EXPENDITURE RECOMMENDATIONS INCLUDED

- 1. REAL ESTATE MILLAGE INCREASES.**
- 2. USER FEE INCREASES FOR SEWER AND TRASH COLLECTION SERVICES.**
- 3. UTILIZE COMPUTER SYSTEM TO MONITOR COLLECTION OF ACCOUNTS RECEIVABLE.**
- 4. SALARY/BENEFIT INCREASES SHOULD BE CAPPED.**
- 5. UTILIZE COUNTY DISPATCH SYSTEM.**
- 6. RENEW CONSIDERATION OF REGIONAL POLICE FORCE.**
- 7. UTILIZE TRAINING OPPORTUNITIES PROVIDED BY DCA.**
- 8. PURSUE GRANT FUNDING FOR COMMUNITY/ECONOMIC DEVELOPMENT.**
- 9. SUPPORT PUBLIC/PRIVATE PARTNERSHIPS.**

APRIL 16, 1993

**DCA SECRETARY KAREN MILLER LIFTS DISTRESSED DESIGNATION FOR THE
BOROUGH OF SHENANDOAH**

SUMMATION

DID ACT 47 WORK FOR THE BOROUGH OF SHENANDOAH?