

**Finance Committee Meeting Minutes
Montgomery Township
Monday, September 15, 2014**

The Finance Committee meeting of September 15, 2014 was called to order by Chairman John Dale at 7:40 pm.

Present at the meeting were:

Committee Members: Mary Griffith-Alfarano, Jim Kelly, John Dale and John Holsinger
Finance Director: Shannon Drosnock
Accounting Supervisor: Vickie Zidek

On a motion by Mr. Kelly, seconded by Mr. Dale, the Minutes of the April 21, 2014 meeting were approved.

Ms. Drosnock reviewed for the committee members the information from the various financial reports prepared for the Committee and the Board of Supervisors as of August 31, 2014. Listed below is the information from those reports:

- Tax Revenues – These revenues represent just slightly less than 85% of all General Fund revenues.
 - Real Estate Tax revenues through August are up \$46K or 3.0% from prior year. Overall these revenue collections are strong this year to date and are 2.4% ahead of collections over a 5 year average.
 - Earned Income Tax (EIT) revenues through August are within 1% of same period prior year. This is an extremely strong revenue stream for this year. The prior year receipts were the highest receipts since the tax was implemented. It is anticipated that this revenue stream will end the year at least 3% above budget.
 - Real Estate Transfer Tax revenues are below prior year and have been lagging slightly in 2014. More detail on the breakdown of these revenues is provided in the Business Tax Office monthly report attached.
 - Business Tax revenues combined, including Business Privilege, Mercantile and Amusement Taxes, are strong for 2014. These collective revenues are \$242K or 10% above prior year collections. Additionally, Mercantile and Business Privilege collections have surpassed 2014.
- Permits and License Fees – This collective group of revenues is reporting 8.1% (\$77K) above the prior year. August was a strong month for Building Permits and Cable TV Franchise Fees. Building Permit revenues are tracking 20% ahead of the 5 year average for year to date through August.
- Other Revenue Sources include fines, interest, grants, etc. These revenues are 31% (\$86K) below prior year revenues. These revenues are the smallest category of Township revenues comprising only 7% of all General Fund budgeted revenues. Additionally, the largest component of this group is the State Aid funds given by

the State to be used towards pension funding. These revenues are not received until late 3rd Quarter and as such the revenues collected here year to date are only 2% of all revenues collected through August 2014.

- Expenditures

- Overall expenditures for August are up 4.3% or \$270K as compared to prior year, however these expenses are on target with the 2014 budget. The difficult winter weather is mainly responsible for the increase in expenses over prior year.

In other business, Ms. Drosnock provided updates on the Township's Standard & Poor's rating, Finance Software, MCDC Initiative, Univest Bank Services changes, 202 Bike Paths and Recreation Center.

The next meeting will be held November 17, 2014.

There being no further business, the meeting adjourned at 8:55 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor