

**Finance Committee Meeting Minutes
Montgomery Township
Monday, July 20, 2015**

The Finance Committee meeting of July 20, 2015 was called to order by Anthony Diasio at 7:45 pm.

Present at the meeting were:

Committee Members: Jim Kelly, Anthony Diasio, Allan Nappen and John Holsinger
Finance Director: Shannon Drosnock
Accounting Supervisor: Vickie Zidek

On a motion by Mr. Holsinger, seconded by Mr. Kelly, the Minutes of the April 20, 2015 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 June 30, 2015. Listed below is the information from those reports:

General Fund 01 – Fund Balance

During the 2nd quarter of 2015, the Township received \$8.9M or 68% of 2015 General Fund Budgeted Revenues, which was 8% more than the \$8.27M in revenues received during the 2nd quarter 2014 and is ahead of the 2015 budget. General Fund Expenditures through the 2nd quarter 2015 were \$5.5M which amount was 10% higher than the \$5.0M in Expenditures through the 2nd quarter 2014. This increase is mostly a result of the weather this winter and the costs associated with maintaining the Township's superior road conditions. Overall, expenditures in each department are consistent with the 2015 budgeted expenditures.

At the end of the 2nd quarter 2015 the General Fund Balance was \$6.6M, an increase of 6% above the 2nd quarter 2014 fund balance of \$6.26M. The various Revenue and Expenditure details are discussed in more detail below.

General Fund Revenues

- **Tax Revenues** – These revenues represent 83% of all budgeted General Fund revenues.
 - Real Estate Tax revenues through June are up .4% (\$5.6K) as compared to same period prior year. Real Estate taxes are being received as expected. June 30th marked the end of the face period for taxes. Taxes received in July forward are subject to a 10% penalty.
 - Earned Income Tax (EIT) revenues through June are up 14.4% (\$368K) from same period prior year and are above the 2015 budget by approximately 1.5%.
 - Mercantile Tax revenues are up 1.2% (\$23K) and Business Privilege revenues are up 5.1% (\$38K) from June 2014. The due date for these

taxes was March 15th. Over 90% of the anticipated taxes have been received and revenues are currently above budget.

- LST revenues are down 7% from June 2014. The second due date of the 2015 fiscal year is July 31st. At this point, the decrease from prior year is timing related as we transition to a new tax collector.
 - Permits and License Fees – This collective group of revenues is reporting 7.3% (\$52K) above the prior year and is within 2% of budget for the year. Permit activities tend to increase entering the late spring/early summer months.
 - Other Revenue Sources include fines, interest, grants, etc. These revenues make up only 7% of the total budgeted revenues. They are 9.3% (\$14K) below prior year revenues through June. This is related mainly to the timing of receipts.
- Expenditures
 - Overall expenditures through June are 5.7% (\$263K) above prior year. The primary causes of the increase are winter weather related expenses and insurance increases. As of the half year mark, total expenses are tracking 4.8% above budget but it is anticipated that this will decrease as the year progresses. However, if the 2015 winter proves difficult, expenses will end the year slightly over budget. With the strong revenues being received this year to date, staff still anticipates a budget surplus.

In other business, Ms. Drosnock provided updates on the Community and Recreation Center, Business Tax, Public Works and software conversion.

The next meeting will be held on August 17th.

There being no further business, the meeting adjourned at 8:50 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor