

**Finance Committee Meeting Minutes  
Montgomery Township  
Monday, April 18, 2016**

The Finance Committee meeting of April 18, 2016 was called to order by Chairperson Mary Griffith-Alfarano at 7:10 pm.

Present at the meeting were:

Committee Members: Mary Griffith-Alfarano, Anthony Diasio, Allan Nappen, John Dale and Jim Kelly  
Finance Director: Ami Tarburton  
Accounting Supervisor: Vickie Zidek

On a motion by Mr. Diasio, seconded by Mr. Dale, the Minutes of the March 21, 2016 meeting were approved.

Ms. Tarburton reviewed for the committee members the information from the various financial reports prepared for the Committee and the Board of Supervisors as of March 31, 2016. Listed below is the information from those reports:

**General Fund 01 – Fund Balance**

During the 1<sup>st</sup> Quarter of 2016, the Township received \$5M or 39% of 2016 General Fund Budgeted Revenues, which was 11% more than the \$4.5M in revenues received during the 1<sup>st</sup> Quarter 2015 and is solidly ahead of the 2016 budget. General Fund Expenditures during the 1<sup>st</sup> Quarter 2016 were \$2.3M which was 5% higher than the \$2.2M in Expenditures during the 1<sup>st</sup> Quarter 2015. This increase is mostly attributable to increased legal expenses, along with the costs associated with maintaining the Township's superior road conditions throughout the January Winter Storm. Overall, expenditures in each department are consistent with the 2016 budgeted expenditures.

At the end of the 1<sup>st</sup> Quarter 2016 the General Fund Balance was \$7.3M, an increase of 40% above the 1<sup>st</sup> Quarter 2015 fund balance of \$5.2M. This increase is due to the fact that the 2015 General Fund Surplus of \$1.7M was approved and completed in April. The various Revenue and Expenditure details are discussed in more detail below.

**General Fund Revenues**

- **Tax Revenues** – These revenues represent 84% of all budgeted General Fund revenues.
  - Real Estate Tax revenues as of March 31<sup>st</sup> are up 10% (\$18.1K) as compared to same period prior year. The end of April will be a more telling indicator of the revenues for the year as April 30<sup>th</sup> is the end of the discount period for Real Estate Taxes.
  - Earned Income Tax (EIT) revenues for March are up 7.6% (\$102K) from same period prior year and are in line with the 2016 budget.

- Mercantile Tax revenues are up 14.9% (\$255K) and Business Privilege revenues are up 6.3% (\$41K) from March 2015. The due date for these taxes was March 15<sup>th</sup>. About 95% of the anticipated taxes have been received and revenues are currently in line with budget. As of March 31<sup>st</sup>, we have processed tax returns for 856 of our 1,344 registered businesses, and to date we have processed 920 returns.
- Local Services Tax (LST) revenues are up 20% from March 2015. The first due date of the 2016 fiscal year is April 30<sup>th</sup>.
- Permits and License Fees – This collective group of revenues is reporting 1.6% (\$5.4K) above the prior year and is within 3% of budget for the year. Permit activities tend to increase entering the late spring/early summer months.
- Other Revenue Sources – This includes fines, interest, grants, etc. These revenues make up only 7% of the total budgeted revenues. They are 30% (\$17.6K) above prior year revenues for March but 15% below the anticipated budget for this period of time. This is related mainly to the timing of receipts.
- Expenditures

Overall expenditures for March are 5.8% (\$128.5K) above prior year. As discussed earlier, this increase is mostly a result of increased legal expenses and the costs associated with maintaining the Township roads throughout the January Winter Storm. Total General Fund expenditures are 5% under the budgeted expenditures for the 1<sup>st</sup> Quarter of 2016.

In other business, auditors from Maillie, LLP will be on-site part of the weeks of April 18<sup>th</sup> and April 25<sup>th</sup> completing their field work for the 2015 audit. Police Contract negotiations are beginning the week of April 18<sup>th</sup> and Fire Contract arbitration is scheduled for May. Ms. Tarburton also reviewed the 1<sup>st</sup> quarter draft of the Community/Recreation Center Statement of Revenues and Expenditures vs. Budget.

The next meeting will be held May 16, 2016.

There being no further business, the meeting adjourned at 7:45 pm.

Respectfully Submitted,

Victoria M. Zidek  
Accounting Supervisor