

**Finance Committee Meeting Minutes
Montgomery Township
Thursday, February 23, 2012**

The Finance Committee meeting of February 23, 2012 was called to order by Chairman John Holsinger at 7:37 pm.

Present at the meeting were:

Committee Members: John Holsinger, Allan Nappen and Jim Kelly
Finance Director: Shannon Q. Drosnock

On a motion by Mr. Kelly, seconded by Mr. Nappen, the Minutes of the January 26, 2012 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 January 31, 2012. Listed below is the information from those reports:

- Tax Revenues

- Real Estate Tax Collections are up \$727, as compared to same period prior year. Tax bills are not mailed to residents until mid to late February and as such, minimal tax revenue is expected in January and February. March through May is known as 'the discount period' where residents receive a 2% discount for payment during that time.
- Earned Income Tax (EIT) collections in the General Fund are up 24% or \$30K above January of the prior year.
- Real Estate Transfer Tax Revenues reported in January are for December of 2011 and as such are recognized in period 13 of 2011 therefore showing \$0 in revenue for January.
- Mercantile Tax revenue collections are down 38.7% of \$25.1K as compared to same period prior year. The due date for this tax is March 15th. Revenue collections are highest during the months of February, March and April.
- Local Services Tax revenue collections are up \$105.7K above same period prior year. This is due to the fact that the Local Services Tax began January of 2011 and as such there were no 4th Quarter receipts collected during that time.

Receipts for first quarter 2012 are due April 30th and will be the first month where comparative data is available.

- Amusement tax receipts are down \$583 as compared to same period prior year.
- Business Privilege Tax (BPT) receipts are up 9% (\$2.1K) as compared to same period prior year. The due date for this tax is March 15th. Revenue collections are highest during the months of February, March and April.

- Overall tax revenues are up 47.7% or \$123K as compared to same period prior year. This is due mainly to the receipt of 4th Quarter LST returns received in 2012 which have no comparative data for 2011.
- Other Revenue Sources
 - Building Permit revenues are up 41.2% or \$23K compared to same period 2011 indicating a strong start to the new year.
 - No cable TV franchise fees are received in January.
 - Overall Revenues are up 36.9% or \$130K compared to January 2011. The largest component of this related to the Local Services Tax.
- Expenditures
 - Overall year to date expenditures are showing down 57.7% or \$164K. However, this is due entirely to year end/year beginning purchase order adjusting entries required to convert the cash basis governmental accounting to the modified accrual accounting basis for year end financial statement purposes. An adjusting entry of \$151K for a street sweeper was made to the Department of Public Works to recognize the expense in the fiscal year it was budgeted and ordered, 2011, therefore creating a large reduction in comparative figures for January.

In other business, Ms. Drosnock discussed with the committee researching investment options and various investment programs offered for the Township's funds. She expects to report her findings to the committee in April.

The committee also discussed changing the date of the March meeting due to scheduling conflicts. Ms. Drosnock will email the committee members available meeting dates to choose from.

The next meeting will be held on March 29th.

There being no further business, the meeting adjourned at 8:45 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor