

**Finance Committee Meeting Minutes
Montgomery Township
Thursday, June 27, 2013**

The Finance Committee meeting of June 27, 2013 was called to order by Chairman John Holsinger at 7:40 pm.

Present at the meeting were:

Committee Members: John Holsinger, Allan Nappen, Joe Kobulsky and John Dale
Board of Supervisor: Michael Fox
Finance Director: Shannon Drosnock
Accounting Supervisor: Vickie Zidek

On a motion by Mr. Kobulsky, seconded by Mr. Holsinger, the Minutes of the April 25, 2013 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 May 31, 2013. Listed below is the information from those reports:

- Tax Revenues
 - Real Estate Tax Collections are up 4.1%, of \$57K, as compared to same period prior year. Bills are now in the "face period" which will extend through June 30th.
 - Earned Income Tax collections are up a significant 14.8%, or \$285K, as compared to same period prior year. Analysis indicates that this trend is mostly attributable to the implementation of ACT 32.
 - Real Estate Transfer Tax Revenues are up 10.5%, or \$17K, as compared to same period prior year. June revenues reflect transfers that occurred during the month of May 2013.
 - Mercantile Tax and Business Privilege Tax revenue collections combined are down 7.9% (\$208K) as compared to same period prior year. This appears to be a result of 2012 actual gross receipts reporting slightly less than estimated which results in a credit or refund due to taxpayers. Additionally, two large taxpayers have moved out of the Township for 2013 which has a \$65K impact to the receipts for 2013 and forward. Delinquency notices were sent in May to Mercantile/Business Privilege tax accounts that have not filed their 2013 tax returns (for tax year 2012).
 - Local Services Tax revenue collections are up 3.6% (\$3K) as compared to same period prior year.
 - Amusement tax receipts are flat as compared to same period prior year. This is one of the smaller revenue streams for the Township.

- Overall tax receipts are 2.4% (\$154K) ahead of same period prior year and approximately \$97.7K above budget for this point in the year.
- Other Revenue Sources
 - Building Permit revenues are down 31.8% (\$125K) compared to May 2012. Building Permit revenues in 2012 were significantly higher than normal, ending the year 56% (\$345K) above budget. The 2013 budget anticipated a decrease from fiscal year 2012. The current revenues for Building Permits are only slightly under budget (4.9%) with the height of the permit season just beginning. At this time, staff anticipates revenues reporting on budget for the 2013 fiscal year.
 - Cable TV Franchise Fees are up 7.6% (\$18.6K) as compared to same period prior year. This revenue source has continued an upward trend since its inception.
 - Overall Revenues are up 1.3% (\$91.5K) compared to May 2012. Based on the actual vs. projected revenues in the "General Fund Projected Cash Balance Report" revenues are currently projected to be 6.89% above budget for the year ending December 31, 2013.
- Expenditures
 - Overall year to date expenditures are reporting down 2.9% (\$104K) as compared to May 2012 with almost all departments reporting below budget for the year. Overall expenditures at the end of May, when adjusted up to include the 2012 year end payroll accruals are at 38.3% of budget compared to an expected expenditure rate of 41.6%.
 - Based on actual vs. projected expenditures in the "General Fund Projected Cash Balance Report" attached, expenditures are currently projected to be approximately 1.3% below budget at year end.

In other business, Ms. Drosnock discussed the Finance Software and Auditing Services RFPs and Mr. Fox provided an update on Zehr to the Committee.

The next meeting will be held on July 25th.

There being no further business, the meeting adjourned at 9:00 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor