

**Finance Committee Meeting Minutes
Montgomery Township
Thursday, November 14, 2013**

The Finance Committee meeting of November 14, 2013 was called to order by Chairman John Holsinger at 7:30 pm.

Present at the meeting were:

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

On a motion by Mr. Kelly, seconded by Mr. Diasio, the Minutes of the September 26, 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 October 31, 2013. Listed below is the information from those reports:

- Tax Revenue Collections
 - Real Estate Tax Collections are up 1.8%, or \$27K, as compared to same period prior year. Bills are now in the “penalty period” and receive a 10% penalty above the face amount of the tax. This period extends through the end of the year.
 - Earned Income Tax collections are up a significant 19.5% or \$661K as compared to same period prior year. The receipts of this tax have been above prior year and budget expectations each month of the year. Staff will submit the draft budget to the Board in November with a 2014 budget figure of \$4.4M in the General Fund.
 - Real Estate Transfer Tax Revenues are up a significant 50% or \$273K as compared to same period prior year. October revenues reflect transfers that occurred during the month of September 2013. One very large commercial property real estate transaction resulted in a transfer tax of \$266K and is primarily responsible for the significant increase from prior year.
 - Mercantile Tax and Business Privilege Tax revenue collections combined are down 5% (\$140K) 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. September and October receipts were above expected therefore reducing the difference to prior year by about 2.6%.
 - Local Services Tax revenue collections are reporting up 5.7% (\$28K) 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 9.7% (\$851K) ahead of same period prior year and approximately \$1M above budget for this point in the year as a result of the significant increase seen in the Earned Income and Real Estate Transfer receipts.
- Other Revenue Sources
 - Building Permit revenues are down 18.3% (\$129K) compared to same period prior year. 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 expected to end the year within the 2013 budget.
 - Cable TV Franchise Fees are up 26.4% (\$98K) as compared to same period prior year. A portion of this increase is related to timing, however, it is expected that receipts will be above budget for 2013. This revenue source has continued an upward trend since its inception.
 - Overall Revenues are up 8.4% (\$905K) compared to same period prior year. Based on the actual vs. projected revenues in the "General Fund Projected Cash Balance Report" revenues are currently projected to be approximately 10% above budget for the year ending December 31, 2013.
- Expenditures
 - Overall year to date expenditures (excluding operating transfers) are reporting down .5% (\$37K) as compared to same period prior year. Overall expenditures at the end of October, when adjusted to include the 2013 year end payroll accruals are at 78% of budget compared to an expected expenditure rate of 83%.
 - Based on the actual vs. projected expenditures in the "General Fund Projected Cash Balance Report" attached, expenditures are currently projected to be approximately 4% below budget at year end.

In other business, Ms. Drosnock provided updates on the 2014 Budget and Community Center project. The Committee also discussed changing their By-Laws to be more generic so the meetings could be adjusted as necessary, Ms. Drosnock will be making those changes for the Board's approval. Ms. Drosnock will also be sending an email to the Committee to find out the best available day for the monthly meeting.

The next meeting will be held in January 2014.

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

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor