

**Finance Committee Meeting Minutes  
Montgomery Township  
Monday, April 24, 2017**

The Finance Committee meeting of April 24, 2017 was called to order by Chairperson Mary Griffith-Alfarano at 7:02 pm.

Present at the meeting were:

Committee Members: Mary Griffith-Alfarano, John Holsinger, Allan Nappen, John Dale, Jim Kelly, and Anthony Diasio (via phone)  
Finance Director: Ami Tarburton

On a motion by Ms. Griffith-Alfarano, seconded by Mr. Kelly, the Minutes of the January 16, 2017 meeting were approved.

Ed Furman from Maillie presented the 2016 draft Financial Report to the committee members. Mr. Furman stated that although the audit is currently in "draft" format, the numbers are solid and will not change. Mr. Furman told the committee members that that audit opinion is free of misstatement and the Township received an unqualified "clean" opinion. Mr. Furman discussed the audit field work, including the initial surplus in the General Fund, which was ultimately transferred to the Capital Reserve Fund for future projects, resulting in an almost break-even outcome in the General Fund. Mr. Furman discussed the Other Post-Employment Benefits (OPEB) liability and the net Pension liability and the fact that the Township's liability is much more favorable than most other townships in the Commonwealth.

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, 2017. Listed below is the information from those reports:

**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 16% (\$33K) 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 down 12% (\$182K) from same period prior year and are behind the 2017 budget. This decrease is due to a \$200K windfall collection in the 1<sup>st</sup> quarter of 2016 which will not be repeated in 2017.
  - Mercantile Tax revenues are down 6% (\$129K) and Business Privilege revenues are down 5% (\$34K) from March 2016. The due date for these taxes was March 15<sup>th</sup>. About 86% of the anticipated taxes have been received, and although total revenues are down from prior year, we are still evaluating the revenue stream and continue to process tax returns. To

date, we have processed tax returns for 890 of our 1302 registered businesses (~70%).

- LST revenues are up 5% from March 2016. 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 10% (\$33K) below the prior year but is within 5% of the expected budget for the year. Anticipating a reduction in revenues in 2017 due to larger projects having been completed in 2016, the 2017 budget included a reduction in Permit Fees of 5%. 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 2% of the total budgeted revenues. They are 10% (\$8K) below prior year revenues for March and 2% below the anticipated budget for this period of time. This is related mainly to the timing of receipts.
- Expenditures

Overall expenditures for the 1<sup>st</sup> quarter are 1.8% (\$41K) above prior year. As discussed earlier, this increase is primarily a result of typical salary/wage and benefit expense increases. Total General Fund expenditures are in line with the anticipated budgeted expenditures for the 1<sup>st</sup> Quarter of 2017.

In other business, Ms. Tarburton reviewed the CRC financials with the Committee. The Rec Center financial performance is much improved from the same period last year. The Committee also discussed the Township's financial services providers for pension services and cash management/investments. The Committee would like to start to explore the possibility of requesting proposals for services such as investment management, pension administration, banking, etc.

The next meeting will be held May 15, 2017.

There being no further business, the meeting adjourned at 7:50 pm.

Respectfully Submitted,

Ami Tarburton  
Finance Director