

**Finance Committee Meeting Minutes
Montgomery Township
Monday, December 18, 2017**

The Finance Committee meeting of December 18, 2017 was called to order by Chairperson Mary Griffith-Alfarano at 7:00 pm.

Present at the meeting were:

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

On a motion by Mr. Kelly, seconded by Ms. Griffith-Alfarano, the Minutes of the September 18, 2017 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 November 30, 2017. Listed below is the information from those reports:

General Fund Revenues

- Tax Revenues
 - Real Estate Tax Collections are up 33% or \$532K, as compared to same period prior year. For 2017, the real estate millage for debt service (.24 mills) was redirected to the General Fund in order to draw down a growing fund balance in the Debt Service Fund, resulting in the increase in General Fund real estate tax revenue.
 - Earned Income Tax (EIT) collections in the General Fund are down 1.6% or \$85K from November of the prior year. In 2016, we received a one-time windfall of \$200K not to be repeated in 2017, showing that Berkheimer revenues are starting to level off.
 - Real Estate Transfer Tax Revenues are up 23% or \$167K as compared to same period prior year. Receipts reported in November are for October.
 - Mercantile Tax revenue collections are down 8% or \$177K as compared to same period prior year. After speaking with our business tax consultant, he has indicated that neighboring municipalities are experiencing the same reduction in revenues, possibly due to large online retailers such as Amazon.
 - Local Services Tax revenue collections are up \$10K or 1.8%. We expect this revenue stream to remain relatively constant with minimal growth going forward.
 - Amusement Tax receipts are up \$3600 as compared to same period prior year.

- Business Privilege Tax (BPT) receipts are up 17% (\$138K) as compared to same period prior year. In the business tax department, we are focusing on compliance and fair/consistent application of the ordinance and regulations.
- Overall tax revenues are up 5.2%, about \$588K, as compared to the same period last year. The additional real estate tax revenue has helped to offset the reduction in other tax revenue streams.
- Other Revenue Sources
 - Building Permit revenues are up 11% (\$66K) as compared to same period 2016. The primary season for this revenue source is spring into summer.
 - Cable Franchise Fees are holding steady, compared to same period 2016 (down a slight .2%).
 - Overall revenues are up 5.1% or \$691K compared to November 2016, but as mentioned earlier, the additional real estate tax revenue realized from shifting the debt service millage accounts for a large portion of this increase.
- Expenditures

Overall year to date expenditures are up slightly as compared to same period prior year (3.9%). This increase can be attributed to salary/wage and benefit expense increases.

In other business, Ms. Tarburton gave an update on Police contract negotiations/arbitration hearing, RFPs for banking and investment services pushed to spring 2018 and a financial update on the CRC.

The next meeting will be held Monday, January 15, 2018 at 5:30 pm.

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

Respectfully Submitted,

Victoria Zidek
Accounting Supervisor