

**Finance Committee Meeting Minutes  
Montgomery Township  
Thursday, March 25, 2010**

The Finance Committee meeting of March 25, 2010 was called to order at 7:45 pm.

Present at the meeting were Committee Members Ralph Malone, John Dale, Jim Kelly, John Holsinger, Finance Director Lawrence Gregan and Accounting Supervisor Vicki Zidek.

On a motion by Mr. Dale, seconded by Mr. Kelly, (Vote 4 – 0) the Minutes of the January 28, 2010, Meeting were approved.

Mr. Gregan reviewed for the committee members, the information from the Monthly Departmental report prepared for the Committee and the Board of Supervisors for the months of January and February noting that:

- The bulk of the department work in January involved completion of year end entries to the GL, including the AP and Payroll accrual, preparation of trial balances and general ledger reports for the upcoming audit. The auditors were on site during the week of February 16<sup>th</sup> to perform the field work on the audit.
- The Audited Financial Statement for 2010 will be presented in the CAFR format. Mr. Holsinger questioned the purpose of the CAFR and Mr. Gregan explained that the CAFR format provides additional historical perspective to the audit and a better assessment of the Township economic/financial condition. In preparing the CAFR the Township will provide additional statistical information regarding financial trends, revenue capacity, debt capacity, demographic and economic information and operating information. Ultimately the intent is to submit the report to the Government Finance Officers Assn. for consideration of a Certificate of Excellence award.
- The report on General Fund Revenues/Expenditures shows that overall tax revenues are down 9.9% compared to 2009. At this time Mercantile and Business Privilege revenues are down but the tax filing deadline is not until March 15<sup>th</sup> so it is too early to tell if this is a trend. Real-estate Transfer taxes are up 60% compared to February 2009 primarily resulting from one commercial transaction for Toys R Us which generated a one-time tax of \$28.5K. Earned Income Tax revenues experienced a 2.1% increase over February 2009. These receipts are 4<sup>th</sup> Quarter 2009 tax withholdings required to be remitted by businesses to the EIT collector within 30 day of the end of the quarter. Overall revenues are down 10.8%

compared to 2009 but it is still too early in the year to make any projections. For all departments, year to date expenditures are up 9.9% of Budget and comparable to February 2009. The fund balance in the General Fund as of the end of February 2010 is down 2.7% compared to February 2010.

Mr. Holsinger questioned the purpose of fund balance, what is done with them and how they are funded. He also asked about the status of the Right of Way payments received by the Township for the 202 Parkway Project. Mr. Gregan explained about the \$1.2M from Penn Dot for Township owned right of way to date, and the status of a remaining payment which could amount of approximately \$900K. The Township expects to receive a preliminary payment of approximately \$600K for remaining right of way with approximately \$300K still in dispute with PennDot.

Mr. Gregan also reported on a recent change in the interest rate on the Township's 1999 \$1.5M Park Loan . Per the terms of the loan, the interest rate on this loan reset at 200 basis points less than the T bill rate resulting in a new interest rate for the next five years of .1%. As a result, the interest payments on this loan will be reduced by \$46.2K over the next five years and will result in accelerated principal payments on the loan and reducing the retirement date of the loan by two years from 2017 to 2015.

Mr. Gregan reported on the Board of Supervisors decision to enter into a new banking services agreement with Univest Bank which will be in effect by mid April.

Mr. Holsinger questioned if the new healthcare legislation will affect the Township. Mr. Gregan anticipates that information will be presented by its carrier but that nothing has been determined as yet.

There being no further business, the meeting adjourned at 8:30 pm.

Respectfully Submitted

Lawrence J. Gregan  
Finance Director