

**Finance Committee Meeting Minutes
Montgomery Township
Thursday, May 27, 2010**

The Finance Committee meeting of May 27, 2010 was called to order by Chairman Ralph Malone at 7:40 pm.

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

On a motion by Mr. Dale, seconded by Mr. Nappen, (Vote 6 – 0) the Minutes of the March 25, 2010 Meeting were approved and on a motion by Mr. Diasio, seconded by Mr. Kelly, (Vote 6 – 0) the Minutes of the April 22, 2010 Meeting were approved.

Mr. Gregan reviewed for the committee members, the information from the various financial reports prepared for the Committee and the Board of Supervisors.

- The department continues to process Mercantile and Business Privilege Tax returns. During April, \$2,009,226 in Business Privilege/Mercantile tax revenues was collected.
- The report on General Fund Revenues/Expenditures shows that overall tax revenues are only down 1.0% compared to April 2009 including:
 - Real-estate Transfer taxes are up 38.6% compared to April 2009, and based on sales reported in April should continue to show improvement at least through May.
 - Earned Income Tax revenues are up 0.9% and Mercantile tax revenues are up 0.7% compared to April 2009. Both positive signs.
 - Business Privilege Tax revenues are down a significant 13.8% from April 2009 despite an increase in the number of returns filed. The returns are reporting lower final gross receipts for 2009 with corresponding lower estimates for 2010.
 - Building permit fee revenues are up 10.4%, Cable Franchise fees up 3.4% and overall Permits and Licenses up 19.7% showing signs of improved construction activity this year.
 - Overall revenues are down 1.4% compared to 2009 however it is still too soon to make any projections.

- For all departments, year to date expenditures are up 8.8% but tracking at 32.4% of budget compared to an expected rate of 33.3% as of the end of 4 months.
- The fund balance in the General Fund as of the end of April 2010 is down 0.9% (\$42K) compared to April 2009 but trending upwards since the beginning of the year.

The Committee discussed the potential impact of the Health Care Reform Act. Mr. Gregan commented on the impact that the extension of coverage to dependents children will have on future premiums. Mr. Dale noted that his company is seeing a significant increase due to the pending changes. Mr. Diasio provided a report on the Timeline for Health Care Reform and insight into the impact on the health care industry.

Mr. Gregan reported on the progress to complete the audit reminding everyone that a presentation will be made at the next Committee meeting on June 24, 2010 meeting and at the Board of Supervisors meeting on June 28th.

There being no further business, the meeting adjourned at 8:40 pm.

Respectfully Submitted

Lawrence J. Gregan
Finance Director