

**Finance Committee Meeting Minutes
Montgomery Township
Thursday, February 24, 2011**

The Finance Committee meeting of February 24, 2011 was called to order by Chairman Ralph Melone at 7:40 pm.

Present at the meeting were:

Committee Members: Ralph Melone, Anthony Diasio, Allan Nappen and John Holsinger
Interim Finance Director: Shannon Q. Drosnock
Accounting Supervisor: Victoria M. Zidek

On a motion by Mr. Diasio, seconded by Mr. Holsinger, the Minutes of the November 18, 2010 meeting were approved.

The Committee held a reorganization meeting to appointment a new Chairman and Vice-Chairman. Mr. Melone was appointed temporary Chairman to entertain nominations for Chairman. Mr. Holsinger and Mr. Melone both nominated Mr. Diasio for Chairman. On a motion by Mr. Melone, seconded by Mr. Holsinger, Mr. Diasio was appointed Chairman. Mr. Diasio entertained nominations for Vice-Chairman. Mr. Melone and Mr. Diasio both nominated Mr. Holsinger for Vice-Chairman. On a motion by Mr. Diasio, seconded by Mr. Melone, Mr. Holsinger was appointed Vice-Chairman.

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 January 31, 2011. Listed below is the information from those reports:

- Tax Revenues – These revenues represent just slightly less than 85% of all General Fund revenues.
 - Earned Income Tax revenues for January are \$158,257 which represents a slight increase (1.9% or \$2,962) over receipts from January of 2010.
 - Mercantile Tax revenues are up 146.7% (\$38,739) and Business Privilege revenues are up 59.1% (\$8,842) from January 2010. The due date for these taxes is not until March 15th so the significant increase could be related to the timing of the early filed returns. The March 31st report will provide a more accurate indication of the trend for 2011.
 - OPT/LST revenues are down 50% from January 2010; however this was expected because of the changes in collection procedures going from the \$10 OPT tax to the \$52 LST tax. In prior years 55% of the annual OPT receipts were collected by March 31st. It is expected that with the new LST tax the revenue stream will be equal throughout the four quarters of the year.
- Permits and License Fees – This collective group of revenues is reporting 30.6% (\$26,802) below the prior year related solely to the timing of the Cable TV Franchise Fee receipts which represent approximately \$70,000. These receipts were received in February.

- Other Sources of Revenue – This includes fines, interest, grants, etc. These revenues are 10.6% (\$33,703) above prior year revenues for January; however it is too early in the year to determine a trend as only 3.2% of annual receipts have been received.
- Expenditures

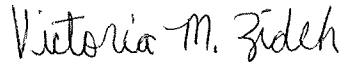
Overall expenditures for January are down 22.2% (\$73,270) compared to January 2010 despite the \$39,000 in additional labor costs resulting from the weather events of 2011. The majority of the decrease is seen in the Police Department line item which represents \$54,144 of the \$73,270 mentioned above.

The Committee discussed the memo to the Board regarding the Zehr financing that Mr. Dale drafted. Mr. Melone asked whether or not adding a chart showing the advantages and disadvantages of each financing method presented would be helpful. Mr. Diasio suggested that a chart not be added as that might limit the financing options available. Mr. Diasio recommended that the memo be left as a general suggestion since there is no timeline available to go out for the financing. The Committee agreed that they all liked the layout and suggested adding that this should be revisited by the Committee again once a timeline is available.

The next meeting will be held on March 24th.

There being no further business, the meeting adjourned at 8:35 pm.

Respectfully Submitted



Victoria M. Zidek
Accounting Supervisor